



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31 , 2008
OF THE CONDITION AND AFFAIRS OF THE

Ozark National Life Insurance Company

NAIC Group Code 0000, 0000 NAIC Company Code 67393 Employer's ID Number 43-0812448
(Current Period) (Prior Period)

Organized under the Laws of Missouri, State of Domicile or Port of Entry Missouri

Country of Domicile US

Incorporated / Organized April 22, 1964 Commenced Business June 24, 1964

Statutory Home Office 500 East Ninth Street, Kansas City, Missouri 64106-2627
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 500 East Ninth Street, Kansas City, Missouri 64106-2627 816-842-6300
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address P O Box 15688, Kansas City, Missouri 64106-0688
(Street and Number or P. O. Box, City or Town, State and Zip Code)

Primary Location of Books and Records 500 East Ninth Street, Kansas City, Missouri 64106-2627
(Street and Number, City or Town, State and Zip Code)
816-842-6300
(Area Code) (Telephone Number)

Internet Website Address ozark-national.com

Statutory Statement Contact James T. Emerson 816-842-6300
(Name) (Area Code) (Telephone Number) (Extension)
tim.emerson@ozark-national.com 816-842-0466
(E-Mail Address) (Fax Number)

OFFICERS
Charles Norval Sharpe (President)
David Ray Melton (Secretary)
James Timothy Emerson (Treasurer)

OTHER OFFICERS
Laurie Jeanne Sharpe (Vice-President)

DIRECTORS OR TRUSTEES

Violet Verlene Ascensio
Carol Sharpe Boone
James Timothy Emerson
Linda Jane Gensler
Margaret Ann Glover
David Ray Melton
Rhonda Ann Morgan
Charles Norval Sharpe
Laurie Jeanne Sharpe

State of Missouri }
County of Jackson } SS

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Charles Norval Sharpe President	David Ray Melton Secretary	James Timothy Emerson Treasurer
Subscribed and sworn to before me this 17th day of February, 2009		a. Is this an original filing? Yes (X) No ()
		b. If no: 1. State the amendment number
		2. Date filed
		3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Column 1 minus Column 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	531,315,309		531,315,309	509,032,238
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks	270,720		270,720	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				95,433
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)	4,211,746		4,211,746	4,494,900
4.2 Properties held for the production of income (less \$ encumbrances)	4,880,146		4,880,146	5,142,293
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ 3,746,960 , Schedule E - Part 1) , cash equivalents (\$, Schedule E - Part 2) and short-term investments (\$ 14,829,695 , Schedule DA)	18,576,655		18,576,655	9,891,533
6. Contract loans (including \$ premium notes)	18,273,799	108	18,273,691	17,077,046
7. Other invested assets (Schedule BA)				
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Line 1 through Line 9)	577,528,375	108	577,528,267	545,733,443
11. Title plants less \$ charged off (for Title insurers only)				
12. Investment income due and accrued	4,069,175		4,069,175	3,861,026
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	860,447	2,913	857,534	841,208
13.2 Deferred premiums , agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	30,568,857		30,568,857	31,364,915
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers				
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts	220,320		220,320	288,664
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon	1,030,627		1,030,627	1,508,527
16.2 Net deferred tax asset	21,652,475	18,580,634	3,071,841	2,370,587
17. Guaranty funds receivable or on deposit	104,225		104,225	22,892
18. Electronic data processing equipment and software	176,147		176,147	255,467
19. Furniture and equipment , including health care delivery assets (\$)				
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates				
22. Health care (\$) and other amounts receivable				
23. Aggregate write-ins for other than invested assets	1,158,546	1,158,546		
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 10 to Line 23)	637,369,194	19,742,201	617,626,993	586,246,729
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Line 24 and Line 25)	637,369,194	19,742,201	617,626,993	586,246,729
DETAILS OF WRITE-INS				
0901. None				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)				
2301. Other Assets Nonadmitted	1,158,546	1,158,546		
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)	1,158,546	1,158,546		

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$. . . 495,929,854 (Exhibit 5, Line 9999999) less \$. . . included in Line 6.3 (including \$. . . Modco Reserve)	495,929,854	474,829,846
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Column 1) (including \$. . . Modco Reserve)	1,692,045	1,735,162
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Column 1) (including \$. . . Modco Reserve)	5,369,616	5,224,442
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Column 1 less sum of Columns 9, 10 and 11)	3,689,236	4,022,158
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Columns 9, 10 and 11)	287,554	374,164
5. Policyholders' dividends \$. . . and coupons \$. . . due and unpaid (Exhibit 4, Line 10)		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$. . . Modco)	169,126	171,734
6.2 Dividends not yet apportioned (including \$. . . Modco)		
6.3 Coupons and similar benefits (including \$. . . Modco)		
7. Amount provisionally held for deferred dividend policies not included in Line 6		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$. . . discount; including \$. . . accident and health premiums (Exhibit 1, Part 1, Column 1, sum of Line 4 and Line 14)	1,866,663	1,872,495
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on cancelled contracts		
9.2 Provision for experience rating refunds, including \$. . . accident and health experience rating refunds		
9.3 Other amounts payable on reinsurance, including \$. . . assumed and \$. . . 11,819 ceded	11,819	11,148
9.4 Interest Maintenance Reserve (IMR, Line 6)	2,538,105	2,685,990
10. Commissions to agents due or accrued-life and annuity contracts \$. . . 114,428 , accident and health \$. . . 231 and deposit-type contract funds \$	114,659	547,816
11. Commissions and expense allowances payable on reinsurance assumed	1,051	1,036
12. General expenses due or accrued (Exhibit 2, Line 12, Column 6)	607,985	518,948
13. Transfers to Separate Accounts due or accrued (net) (including \$. . . accrued for expense allowances recognized in reserves, net of reinsured allowances)		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Column 5)	1,359,553	959,426
15.1 Current federal and foreign income taxes, including \$. . . on realized capital gains (losses)		
15.2 Net deferred tax liability		
16. Unearned investment income	649,845	604,164
17. Amounts withheld or retained by company as agent or trustee	330,349	340,525
18. Amounts held for agents' account, including \$. . . agents' credit balances	98,523	141,053
19. Remittances and items not allocated	1,459,979	773,737
20. Net adjustment in assets and liabilities due to foreign exchange rates		
21. Liability for benefits for employees and agents if not included above	3,198,888	2,723,000
22. Borrowed money \$. . . and interest thereon \$		
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve (AVR, Line 16, Column 7)	1,671,637	1,583,473
24.2 Reinsurance in unauthorized companies		
24.3 Funds held under reinsurance treaties with unauthorized reinsurers		
24.4 Payable to parent, subsidiaries and affiliates		
24.5 Drafts outstanding		
24.6 Liability for amounts held under uninsured plans		
24.7 Funds held under coinsurance		
24.8 Payable for securities		
24.9 Capital notes \$. . . and interest thereon \$		
25. Aggregate write-ins for liabilities		
26. Total liabilities excluding Separate Accounts business (Line 1 to Line 25)	521,046,487	499,120,317
27. From Separate Accounts statement		
28. Total liabilities (Line 26 and Line 27)	521,046,487	499,120,317
29. Common capital stock	8,025,000	8,025,000
30. Preferred capital stock		
31. Aggregate write-ins for other than special surplus funds		
32. Surplus notes		
33. Gross paid in and contributed surplus (Page 3, Line 33, Column 2 plus Page 4, Line 51.1, Column 1)	2,920,113	2,920,113
34. Aggregate write-ins for special surplus funds		
35. Unassigned funds (surplus)	85,635,393	76,181,299
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$)		
36.2 shares preferred (value included in Line 30 \$)		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$. . . in Separate Accounts Statement)	88,555,506	79,101,412
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	96,580,506	87,126,412
39. Totals of Lines 28 and 38 (Page 2, Line 26, Column 3)	617,626,993	586,246,729
DETAILS OF WRITE-INS		
2501. None		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)		
3101. None		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page		
3199. Totals (Line 3101 through Line 3103 plus Line 3198) (Line 31 above)		
3401. None		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page		
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)		

ANNUAL STATEMENT FOR THE YEAR 2008 OF THE Ozark National Life Insurance Company		
SUMMARY OF OPERATIONS		
	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Column 1, less Column 11)	89,872,696	92,945,332
2. Considerations for supplementary contracts with life contingencies	18,007	66,749
3. Net investment income (Exhibit of Net Investment Income, Line 17)	29,648,429	27,596,952
4. Amortization of Interest Maintenance Reserve (IMR, Line 5)	381,262	276,873
5. Separate Accounts net gain from operations excluding unrealized gains or losses		
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Column 1)	234,329	243,103
7. Reserve adjustments on reinsurance ceded		
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts		
8.2 Charges and fees for deposit-type contracts		
8.3 Aggregate write-ins for miscellaneous income	2,118	1,645
9. Totals (Line 1 to Line 8.3)	120,156,841	121,130,654
10. Death benefits	22,431,342	18,791,411
11. Matured endowments (excluding guaranteed annual pure endowments)	105,238	59,776
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Column 4 plus Column 8)	64,077	87,258
13. Disability benefits and benefits under accident and health contracts	2,918,058	3,002,289
14. Coupons, guaranteed annual pure endowments and similar benefits	11,066	12,081
15. Surrender benefits and withdrawals for life contracts	14,136,898	13,322,379
16. Group conversions		
17. Interest and adjustments on contract or deposit-type contract funds	202,264	199,829
18. Payments on supplementary contracts with life contingencies	49,065	50,611
19. Increase in aggregate reserves for life and accident and health contracts	21,056,891	24,102,060
20. Totals (Line 10 to Line 19)	60,974,899	59,627,694
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Column 1)	14,984,532	16,151,739
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Column 1)	9,266	9,643
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4)	10,063,410	9,532,402
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Column 1 plus Column 2 plus Column 3)	2,787,762	2,189,085
25. Increase in loading on deferred and uncollected premiums	(626,033)	(462,847)
26. Net transfers to or (from) Separate Accounts net of reinsurance		
27. Aggregate write-ins for deductions	(36,287)	12,803
28. Totals (Line 20 to Line 27)	88,157,549	87,060,519
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	31,999,292	34,070,135
30. Dividends to policyholders	167,853	175,025
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	31,831,439	33,895,110
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	10,780,837	12,699,442
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	21,050,602	21,195,668
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ (excluding taxes of \$ transferred to the IMR)		
35. Net Income (Line 33 plus Line 34)	21,050,602	21,195,668
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Column 2)	87,126,412	79,096,479
37. Net income (Line 35)	21,050,602	21,195,668
38. Change in net unrealized capital gains (losses) less capital gains tax of \$ 7,205	13,380	
39. Change in net unrealized foreign exchange capital gain (loss)		
40. Change in net deferred income tax	(249,374)	16,318
41. Change in nonadmitted assets	728,770	(332,286)
42. Change in liability for reinsurance in unauthorized companies		
43. Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Column 4)		
44. Change in asset valuation reserve	(88,164)	(52,567)
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2 Column 2 minus Column 1)		
46. Surplus (contributed to) withdrawn from Separate Accounts during period		
47. Other changes in surplus in Separate Accounts statement		
48. Change in surplus notes		
49. Cumulative effects of changes in accounting principles		
50. Capital changes:		
50.1 Paid in		
50.2 Transferred from surplus (Stock Dividend)		
50.3 Transferred to surplus		
51. Surplus adjustment:		
51.1 Paid in		
51.2 Transferred to capital (Stock Dividend)		
51.3 Transferred from capital		
51.4 Change in surplus as a result of reinsurance		
52. Dividends to stockholders	(12,001,120)	(12,797,200)
53. Aggregate write-ins for gains and losses in surplus		
54. Net change in capital and surplus for the year (Line 37 through Line 53)	9,454,094	8,029,933
55. Capital and surplus, December 31, current year (Line 36 plus Line 54) (Page 3, Line 38)	96,580,506	87,126,412
DETAILS OF WRITE-INS		
08.301. Miscellaneous Income	2,118	1,645
08.302.		
08.303.		
08.398. Summary of remaining write-ins for Line 8.3 from overflow page		
08.399. Totals (Line 08.301 through Line 08.303 plus Line 08.398) (Line 8.3 above)	2,118	1,645
2701. Reserve Adjustment on Modified Coinsurance Assumed	(36,287)	12,803
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Line 2701 through Line 2703 plus Line 2798) (Line 27 above)	(36,287)	12,803
5301. None		
5302.		
5303.		
5398. Summary of remaining write-ins for Line 53 from overflow page		
5399. Totals (Line 5301 through Line 5303 plus Line 5398) (Line 53 above)		

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	91,294,361	93,303,375
2. Net investment income	30,941,965	29,624,709
3. Miscellaneous income	236,447	244,748
4. Total (Line 1 through Line 3)	122,472,773	123,172,832
5. Benefit and loss related payments	40,266,892	35,687,018
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	29,028,269	28,843,096
8. Dividends paid to policyholders	170,461	178,722
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	10,428,600	10,690,126
10. Total (Line 5 through Line 9)	79,894,222	75,398,962
11. Net cash from operations (Line 4 minus Line 10)	42,578,551	47,773,870
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	140,064,135	114,626,268
12.2 Stocks		
12.3 Mortgage loans	95,435	11,438
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	140,159,570	114,637,706
13. Cost of investments acquired (long-term only):		
13.1 Bonds	161,704,595	147,083,627
13.2 Stocks	250,135	
13.3 Mortgage loans		
13.4 Real estate		215,678
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Line 13.1 through Line 13.6)	161,954,730	147,299,305
14. Net increase (decrease) in contract loans and premium notes	1,196,092	418,846
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(22,991,252)	(33,080,445)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities	143,540	(35,524)
16.5 Dividends to stockholders	12,001,120	12,797,200
16.6 Other cash provided (applied)	955,403	(378,983)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(10,902,177)	(13,211,707)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	8,685,122	1,481,718
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	9,891,533	8,409,815
19.2 End of year (Line 18 plus Line 19.1)	18,576,655	9,891,533
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.001 None		
20.002		
20.003		
20.004		
20.005		
20.006		
20.007		
20.008		
20.009		
20.010		

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	Ordinary			6	Group		Accident and Health			12
			3	4	5		7	8	9	10	11	
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (a)	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
1. Premiums and annuity considerations for life and accident and health contracts	89,872,696		89,426,618	52,289							393,789	
2. Considerations for supplementary contracts with life contingencies	18,007				18,007							
3. Net investment income	29,648,429		24,552,907	291,024	12,839						87,755	4,703,904
4. Amortization of Interest Maintenance Reserve (IMR)	381,262		315,737	3,742	165						1,128	60,490
5. Separate Accounts net gain from operations excluding unrealized gains or losses												
6. Commissions and expense allowances on reinsurance ceded	234,329		233,446	883								
7. Reserve adjustments on reinsurance ceded												
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts												
8.2 Charges and fees for deposit-type contracts												
8.3 Aggregate write-ins for miscellaneous income	2,118		2,118									
9. Totals (Line 1 to Line 8.3)	120,156,841		114,530,826	347,938	31,011						482,672	4,764,394
10. Death benefits	22,431,342		22,431,342									
11. Matured endowments (excluding guaranteed annual pure endowments)	105,238		105,238									
12. Annuity benefits	64,077			64,077								
13. Disability benefits and benefits under accident and health contracts	2,918,058		2,746,809								171,249	
14. Coupons, guaranteed annual pure endowments and similar benefits	11,066		11,066									
15. Surrender benefits and withdrawals for life contracts	14,136,898		14,014,142	122,756								
16. Group conversions												
17. Interest and adjustments on contract or deposit-type contract funds	202,264		202,264									
18. Payments on supplementary contracts with life contingencies	49,065				49,065							
19. Increase in aggregate reserves for life and accident and health contracts	21,056,891		21,046,499	70,782	(17,273)						(43,117)	
20. Totals (Line 10 to Line 19)	60,974,899		60,557,360	257,615	31,792						128,132	
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	14,984,532		14,957,366								27,166	
22. Commissions and expense allowances on reinsurance assumed	9,266		9,266									
23. General insurance expenses	10,063,410		10,000,120	30,380	2,708						30,202	
24. Insurance taxes, licenses and fees, excluding federal income taxes	2,787,762		2,768,079	8,409	750						10,524	
25. Increase in loading on deferred and uncollected premiums	(626,033)		(626,033)									
26. Net transfers to or (from) Separate Accounts net of reinsurance												
27. Aggregate write-ins for deductions	(36,287)		(36,287)									
28. Totals (Line 20 to Line 27)	88,157,549		87,629,871	296,404	35,250						196,024	
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	31,999,292		26,900,955	51,534	(4,239)						286,648	4,764,394
30. Dividends to policyholders	167,853		167,853									
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	31,831,439		26,733,102	51,534	(4,239)						286,648	4,764,394
32. Federal income taxes incurred (excluding tax on capital gains)	10,780,837		9,054,106	17,454	(1,436)						97,083	1,613,630
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	21,050,602		17,678,996	34,080	(2,803)						189,565	3,150,764
DETAILS OF WRITE-INS												
08.301. Miscellaneous income	2,118		2,118									
08.302.												
08.303.												
08.398. Summary of remaining write-ins for Line 8.3 from overflow page												
08.399. Totals (Line 08.301 through Line 08.303 plus Line 08.398) (Line 8.3 above)	2,118		2,118									
2701. Reserve Adjustment on Modified Coinsurance Assumed	(36,287)		(36,287)									
2702.												
2703.												
2798. Summary of remaining write-ins for Line 27 from overflow page												
2799. Totals (Line 2701 through Line 2703 plus Line 2798) (Line 27 above)	(36,287)		(36,287)									

(a) Includes the following amounts for FEGLI/SGLI: Line 1, Line 10, Line 16, Line 23, Line 24

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves) (Net of Reinsurance Ceded)								
1. Reserve December 31, prior year	474,829,843		468,923,047	5,647,449	259,347			
2. Tabular net premiums or considerations	70,795,451		70,743,162	52,289				
3. Present value of disability claims incurred	889,299		889,299		X X X			
4. Tabular interest	23,234,460		22,983,623	238,274	12,563			
5. Tabular less actual reserve released	2,049,114		2,062,831	(32,946)	19,229			
6. Increase in reserve on account of change in valuation basis								
7. Other increases (net)								
8. Totals (Line 1 to Line 7)	571,798,167		565,601,962	5,905,066	291,139			
9. Tabular cost	49,376,509		49,376,509		X X X			
10. Reserves released by death	4,616,931		4,616,931	X X X	X X X			X X X
11. Reserves released by other terminations (net)	19,014,920		18,892,162	122,758				
12. Annuity, supplementary contract, and disability payments involving life contingencies	2,859,951		2,746,809	64,077	49,065			
13. Net transfers to or (from) Separate Accounts								
14. Total deductions (Line 9 to Line 13)	75,868,311		75,632,411	186,835	49,065			
15. Reserve December 31, current year	495,929,856		489,969,551	5,718,231	242,074			

EXHIBIT OF NET INVESTMENT INCOME

	1	2
	Collected During Year	Earned During Year
1. U. S. Government bonds	(a) 11,717,234	11,946,093
1.1 Bonds exempt from U. S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 15,391,746	15,392,165
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c) 6,981	6,035
4. Real estate	(d) 2,384,408	2,377,733
5. Contract loans	1,266,938	1,221,257
6. Cash, cash equivalents and short-term investments	(e) 276,546	263,037
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	181,684	181,684
10. Total gross investment income	31,225,537	31,388,004
11. Investment expenses		(g) 937,157
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 257,117
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i) 545,301
15. Aggregate write-ins for deductions from investment income		
16. Totals deductions (Line 11 through Line 15)		1,739,575
17. Net investment income (Line 10 minus Line 16)		29,648,429
DETAILS OF WRITE-INS		
0901. Interest on modified coinsurance reserves	173,699	173,699
0902. Interest on agent balances and loans on personal security	6,721	6,721
0903. Miscellaneous investment income	1,264	1,264
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)	181,684	181,684
1501. None		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Line 1501 through Line 1503 plus Line 1598) (Line 15 above)		
(a) Includes \$ 812,769 accrual of discount less \$ 529,197 amortization of premium and less \$ 662,294 paid for accrued interest on purchases.	(f) Includes \$ accrual of discount less \$ amortization of premium.	
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.	(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.	
(c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.	(h) Includes \$ interest on surplus notes and \$ interest on capital notes.	
(d) Includes \$ 468,519 for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.	(i) Includes \$ 545,301 depreciation on real estate and \$ depreciation on other invested assets.	
(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Cols. 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U. S. Government bonds	222,489		222,489		
1.1 Bonds exempt from U. S. tax					
1.2 Other bonds (unaffiliated)	136,550		136,550		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)				20,585	
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	359,039		359,039	20,585	
DETAILS OF WRITE-INS					
0901. None					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)					

EXHIBIT 1 - PART 1 - PREMIUMS AND ANNUITY CONSIDERATIONS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

	1	2	Ordinary		5	Group		Accident and Health			11
			3	4		6	7	8	9	10	
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
FIRST YEAR (other than single)											
1. Uncollected	128,011		128,011								
2. Deferred and accrued	3,489,186		3,489,186								
3. Deferred, accrued and uncollected:											
3.1 Direct	3,617,514		3,617,514								
3.2 Reinsurance assumed	4		4								
3.3 Reinsurance ceded	321		321								
3.4 Net (Line 1 plus Line 2)	3,617,197		3,617,197								
4. Advance	71,911		71,911								
5. Line 3.4 minus Line 4	3,545,286		3,545,286								
6. Collected during year:											
6.1 Direct	8,633,358		8,633,358								
6.2 Reinsurance assumed											
6.3 Reinsurance ceded	4,099		4,099								
6.4 Net	8,629,259		8,629,259								
7. Line 5 plus Line 6.4	12,174,545		12,174,545								
8. Prior year (uncollected plus deferred and accrued minus advance)	4,528,095		4,528,095								
9. First year premiums and considerations:											
9.1 Direct	7,650,476		7,650,476								
9.2 Reinsurance assumed	4		4								
9.3 Reinsurance ceded	4,030		4,030								
9.4 Net (Line 7 minus Line 8)	7,646,450		7,646,450								
SINGLE											
10. Single premiums and considerations:											
10.1 Direct	35,109		35,109								
10.2 Reinsurance assumed											
10.3 Reinsurance ceded	11,308		11,308								
10.4 Net	23,801		23,801								
RENEWAL											
11. Uncollected	975,526		971,606							3,920	
12. Deferred and accrued	35,247,796		35,247,796								
13. Deferred, accrued and uncollected:											
13.1 Direct	36,951,073		36,947,153							3,920	
13.2 Reinsurance assumed	186,523		186,523								
13.3 Reinsurance ceded	914,274		914,274								
13.4 Net (Line 11 plus Line 12)	36,223,322		36,219,402							3,920	
14. Advance	1,794,752		1,794,752								
15. Line 13.4 minus Line 14	34,428,570		34,424,650							3,920	
16. Collected during year:											
16.1 Direct	85,550,952		85,104,394	53,412						393,146	
16.2 Reinsurance assumed	460,694		460,694								
16.3 Reinsurance ceded	3,388,351		3,387,228	1,123							
16.4 Net	82,623,295		82,177,860	52,289						393,146	
17. Line 15 plus Line 16.4	117,051,865		116,602,510	52,289						397,066	
18. Prior year (uncollected plus deferred and accrued minus advance)	34,849,419		34,846,142							3,277	
19. Renewal premiums and considerations:											
19.1 Direct	85,142,456		84,695,255	53,412						393,789	
19.2 Reinsurance assumed	450,428		450,428								
19.3 Reinsurance ceded	3,390,438		3,389,315	1,123							
19.4 Net (Line 17 minus Line 18)	82,202,446		81,756,368	52,289						393,789	
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct	92,828,041		92,380,840	53,412						393,789	
20.2 Reinsurance assumed	450,432		450,432								
20.3 Reinsurance ceded	3,405,776		3,404,653	1,123							
20.4 Net (Lines 9.4 plus 10.4 plus 19.4)	89,872,697		89,426,619	52,289						393,789	

ANNUAL STATEMENT FOR THE YEAR 2008 OF THE Ozark National Life Insurance Company

**EXHIBIT 1 - PART 2 - DIVIDENDS AND COUPONS APPLIED, REINSURANCE COMMISSIONS
AND EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (direct business only)**

	1	2	Ordinary		5	Group		Accident and Health			11
	Total	Industrial Life	3 Life Insurance	4 Individual Annuities	Credit Life (Group and Individual)	6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	Aggregate of All Other Lines of Business
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums											
22. All other	37,528		37,528								
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded	1,474		1,474								
23.2 Reinsurance assumed											
23.3 Net ceded less assumed	1,474		1,474								
24. Single:											
24.1 Reinsurance ceded											
24.2 Reinsurance assumed											
24.3 Net ceded less assumed											
25. Renewal:											
25.1 Reinsurance ceded	232,855		231,972	883							
25.2 Reinsurance assumed	9,266		9,266								
25.3 Net ceded less assumed	223,589		222,706	883							
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6)	234,329		233,446	883							
26.2 Reinsurance assumed (Page 6, Line 22)	9,266		9,266								
26.3 Net ceded less assumed	225,063		224,180	883							
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single)	7,963,674		7,963,674								
28. Single											
29. Renewal	7,020,858		6,993,692							27,166	
30. Deposit-type contract funds											
31. Totals (to agree with Page 6, Line 21)	14,984,532		14,957,366							27,166	

EXHIBIT 2 - GENERAL EXPENSES

		Insurance			5	6	
		1	Accident and Health				4
			2 Cost Containment	3 All Other			
		Life		All Other Lines of Business	Investment	Total	
1.	Rent	452,191		2,272	14,055	468,518	
2.	Salaries and wages	2,690,998		13,523	142,343	2,846,864	
3.11	Contributions for benefit plans for employees	455,502		2,289	24,094	481,885	
3.12	Contributions for benefit plans for agents						
3.21	Payments to employees under non-funded benefit plans						
3.22	Payments to agents under non-funded benefit plans						
3.31	Other employee welfare	519,444		2,610	27,477	549,531	
3.32	Other agent welfare						
4.1	Legal fees and expenses	22,073		111		22,184	
4.2	Medical examination fees	381,668				381,668	
4.3	Inspection report fees	83,846				83,846	
4.4	Fees of public accountants and consulting actuaries	304,069		1,528	5,000	310,597	
4.5	Expense of investigation and settlement of policy claims	26,501				26,501	
5.1	Traveling expenses	3,684				3,684	
5.2	Advertising	2,023				2,023	
5.3	Postage, express, telegraph and telephone	307,124		1,543	7,915	316,582	
5.4	Printing and stationery	136,275		685	3,512	140,472	
5.5	Cost or depreciation of furniture and equipment	255,652		1,285	6,588	263,525	
5.6	Rental of equipment	2,131		11	55	2,197	
5.7	Cost or depreciation of EDP equipment and software	241,271		1,212	6,218	248,701	
6.1	Books and periodicals	21,226		107	1,500	22,833	
6.2	Bureau and association fees	21,298				21,298	
6.3	Insurance, except on real estate	35,715		180		35,895	
6.4	Miscellaneous losses	107,509		541		108,050	
6.5	Collection and bank service charges	91,933		449	200	92,582	
6.6	Sundry general expenses	80,735		152	756	81,643	
6.7	Group service and administration fees	4,988				4,988	
6.8	Reimbursements by uninsured plans						
7.1	Agency expense allowance	8,637		43		8,680	
7.2	Agents' balances charged off (less \$ recovered)	14,753		74		14,827	
7.3	Agency conferences other than local meetings	588,592				588,592	
9.1	Real estate expenses	315,877		1,587	659,978	977,442	
9.2	Investment expenses not included elsewhere				37,466	37,466	
9.3	Aggregate write-ins for expenses	2,857,493				2,857,493	
10.	General expenses incurred	10,033,208		30,202	937,157	(a) 11,000,567	
11.	General expenses unpaid December 31, prior year	518,948				518,948	
12.	General expenses unpaid December 31, current year	607,985				607,985	
13.	Amounts receivable relating to uninsured plans, prior year						
14.	Amounts receivable relating to uninsured plans, current year						
15.	General expenses paid during year (Lines 10 + 11 - 12 - 13 + 14)	9,944,171		30,202	937,157	10,911,530	
DETAILS OF WRITE-INS							
09.301.	Contributions and donations	2,902,493				2,902,493	
09.302.	Reimbursement from affiliate company	(45,000)				(45,000)	
09.303.							
09.398.	Summary of remaining write-ins for Line 9.3 from overflow page						
09.399.	Totals (Line 09.301 through Line 09.303 plus Line 09.398) (Line 9.3 above)	2,857,493				2,857,493	

(a) Includes management fees of \$ to affiliates and \$ to non-affiliates.

EXHIBIT 3 - TAXES, LICENSES AND FEES
(EXCLUDING FEDERAL INCOME TAXES)

		Insurance			4	5
		1	2	3		
		Life	Accident and Health	All Other Lines of Business	Investment	Total
1.	Real estate taxes				232,794	232,794
2.	State insurance department licenses and fees	109,674	551			110,225
3.	State taxes on premiums	1,778,913	8,539			1,787,452
4.	Other state taxes, including \$ for employee benefits	83,137	418		13,631	97,186
5.	U. S. Social Security taxes	199,002	1,000		10,526	210,528
6.	All other taxes	606,512	16		166	606,694
7.	Taxes, licenses and fees incurred	2,777,238	10,524		257,117	3,044,879
8.	Taxes, licenses and fees unpaid December 31, prior year	959,426				959,426
9.	Taxes, licenses and fees unpaid December 31, current year	1,359,553				1,359,553
10.	Taxes, licenses and fees paid during year (Line 7 plus Line 8 minus Line 9)	2,377,111	10,524		257,117	2,644,752

EXHIBIT 4 - DIVIDENDS OR REFUNDS

		1	2
		Life	Accident and Health
1.	Applied to pay renewal premiums		
2.	Applied to shorten the endowment or premium-paying period		
3.	Applied to provide paid-up additions	36,929	
4.	Applied to provide paid-up annuities		
5.	Total Line 1 through Line 4	36,929	
6.	Paid-in cash	17,432	
7.	Left on deposit	157,443	
8.	Aggregate write-ins for dividend or refund options	(41,343)	
9.	Total Line 5 through Line 8	170,461	
10.	Amount due and unpaid	169,126	
11.	Provision for dividends or refunds payable in the following calender year		
12.	Terminal dividends		
13.	Provision for deferred dividend contracts		
14.	Amount provisionally held for deferred dividend policies not included in Line 13		
15.	Total Line 10 through Line 14	169,126	
16.	Total from prior year	171,734	
17.	Total dividends or refunds (Line 9 plus Line 15 minus Line 16)	167,853	
DETAILS OF WRITE-INS			
0801.	Dividends coinsured	(41,343)	
0802.			
0803.			
0898.	Summary of remaining write-ins for Line 8 from overflow page		
0899.	Totals (Line 0801 through Line 0803 plus Line 0898) (Line 8 above)	(41,343)	

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
(Gross) - Life Insurance					
41 CSO 2.5% NLP (ALB) 63-63	7,415		7,415		
41 CSO 3.0% CRVM CRF 58-65	2,757		2,757		
41 CSO 3.0% NLP CRF 58-65	255,104		255,104		
58 CET 3.0% NLP CRF 64-85	156,017		156,017		
58 CET 3.5% NLP CRF 61-84	7,630		7,630		
58 CET 4.0% NLP CRF 81-85					
58 CET 4.5% NLP CRF 81-86	10,111		10,111		
58 CET 5.5% NLP CRF 70-81	35,101		35,101		
58 CSO 2.5% MOD CRF 74-83	659,000		659,000		
58 CSO 2.5% NLP CRF 74-74	158,736		158,736		
58 CSO 3.0% CRVM CRF 64-88	5,538,353		5,538,353		
58 CSO 3.0% MOD CRF 66-85	643,336		643,336		
58 CSO 3.0% NLP CRF 74-88	19,116,330		19,116,330		
58 CSO 3.5% CRVM CRF 65-88	1,265,365		1,265,365		
58 CSO 3.5% NLP CRF 65-88	1,033,454		1,033,454		
58 CSO 4.0% CRVM CRF 78-87	54,270		54,270		
58 CSO 4.0% NLP CRF 85-85	25,742		25,742		
58 CSO 4.5% CRVM CRF 70-87	26,784,811		26,784,811		
58 CSO 4.5% NLP CRF 80-87	2,680,154		2,680,154		
58 CSO 5.5% CRVM CRF 70-88	13,993,778		13,993,778		
58 CSO 5.5% NLP CRF 69-80	2,348,350		2,348,350		
80 CET 4.0% NLP CRF 85-07	36,311		36,311		
80 CET 4.5% NLP CRF 85-05	90,718		90,718		
80 CET 4.5/4.0% NLP CRF 95-05	160,097		160,097		
80 CET 5.0% NLP CRF 86-94	25,114		25,114		
80 CET 5.0/4.0% NLP CRF 93-94	1,791		1,791		
80 CET 5.5% NLP CRF 87-92	11,004		11,004		
80 CET 5.5/4.0% NLP CRF 87-92	45,610		45,610		
80 CET 6.0% NLP CRF 83-86	4,243		4,243		
80 CSO 4.0% CRVM IDB 84-08 NB	25,348,435		25,348,435		
80 CSO 4.0% NLP CRF 85-90	710,279		710,279		
80 CSO 4.5% CRVM IDB 94-05	97,654,682		97,654,682		
80 CSO 4.5% NLP CRF 95-05	16,015,466		16,015,466		
80 CSO 4.5/4.0% CRVM IDB 95-05	102,134,942		102,134,942		
80 CSO 4.5/4.0% NLP IDB 95-05	944,953		944,953		
80 CSO 5.0% CRVM CRF 86-94	30,727,044		30,727,044		
80 CSO 5.0% NLP CRF 86-94	9,236,013		9,236,013		
80 CSO 5.0/4.0% CRVM CRF 93-94	22,058,182		22,058,182		
80 CSO 5.0/4.0% NLP CRF 93-94	515,789		515,789		
80 CSO 5.5% CRVM CRF 85-92	27,077,233		27,077,233		
80 CSO 5.5% NLP CRF 85-92	2,372,987		2,372,987		
80 CSO 5.5/4.0% CRVM CRF 83-92	60,962,341		60,962,341		
80 CSO 5.5/4.0% NLP CRF 81-92	3,234,291		3,234,291		
80 CSO 6.0% CRVM CRF 83-91	6,366,211		6,366,211		
80 CSO 6.0% NLP CRF 86-91	1,904,751		1,904,751		
2001 CSO 4.0% CRVM IDB 06-08 NB	2,982,107		2,982,107		
2001 CSO 4.5% CRVM IDB 04-05	1,198,862		1,198,862		
Substandard UPR	1,826,662		1,826,662		
0199997 - TOTALS (Gross) - Life Insurance	488,421,932		488,421,932		
0199998 - Reinsurance ceded - Life Insurance	32,992,011		32,992,011		
0199999 - TOTALS (Net) - Life Insurance	455,429,921		455,429,921		
(Gross) - Annuities (excluding supplementary contracts with life contingencies)					
INTEREST ACCUMULATION 3.0% DEF	659,549		659,549		
INTEREST ACCUMULATION 3.5% DEF	584,633		584,633		
FPDA 4.5% DEF	2,898,578		2,898,578		
SPDA 4.5% DEF	1,620,121		1,620,121		
37 SA 3.0% IMM	30,842		30,842		
71 IAM 7.5% IMM	59,426		59,426		
a-2000 5.25% IMM	61,630		61,630		
a-2000 5.5% IMM	16,127		16,127		
0299997 - TOTALS (Gross) - Annuities (excluding supplementary contracts with life contingencies)	5,930,906		5,930,906		
0299998 - Reinsurance ceded - Annuities (excluding supplementary contracts with life contingencies)	212,675		212,675		
0299999 - TOTALS (Net) - Annuities (excluding supplementary contracts with life contingencies)	5,718,231		5,718,231		
(Gross) - Supplementary Contracts with Life Contingencies					
37 SA 3.0% IMM	74,438		74,438		
71 IAM 6.5% IMM	1,504		1,504		
71 IAM 7.5% IMM	6,105		6,105		
83-a 6.25% IMM	11,335		11,335		
83-a 6.5% IMM	127,614		127,614		
a-2000 5.5% IMM	21,078		21,078		
0399997 - TOTALS (Gross) - Supplementary Contracts with Life Contingencies	242,074		242,074		
0399999 - TOTALS (Net) - Supplementary Contracts with Life Contingencies	242,074		242,074		
(Gross) - Accidental Death Benefits					
59 ADB 3.0% NLP	26,805		26,805		
0499997 - TOTALS (Gross) - Accidental Death Benefits	26,805		26,805		
0499998 - Reinsurance ceded - Accidental Death Benefits	1,733		1,733		
0499999 - TOTALS (Net) - Accidental Death Benefits	25,072		25,072		
(Gross) - Disability - Active Lives					
52 DIS / 58 CSO 3.0% NLP	392,308		392,308		
52 DIS / 80 CSO 4.0% NLP					
52 DIS / 80 CSO 4.5% NLP	10,963,438		10,963,438		
52 DIS / 2001 CSO 4.0% NLP	45,114		45,114		
LTC 4.0% FPT	109,586		109,586		
LTC 4.5% FPT	610,160		610,160		
0599997 - TOTALS (Gross) - Disability - Active Lives	12,120,606		12,120,606		
0599998 - Reinsurance ceded - Disability - Active Lives	256,149		256,149		
0599999 - TOTALS (Net) - Disability - Active Lives	11,864,457		11,864,457		
(Gross) - Disability - Disabled Lives					
52 DIS / 58 CSO 3.0% NLP	14,245,426		14,245,426		
52 DIS / 58 CSO 4.0% NLP	3,235,496		3,235,496		
52 DIS / 58 CSO 4.5% NLP	2,945,303		2,945,303		
LTC 4/0% NLP	30,189		30,189		
0699997 - TOTALS (Gross) - Disability - Disabled Lives	20,456,414		20,456,414		
0699998 - Reinsurance ceded - Disability - Disabled Lives	1,261,596		1,261,596		
0699999 - TOTALS (Net) - Disability - Disabled Lives	19,194,818		19,194,818		

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
(Gross) - Miscellaneous Reserves					
0700002 Nondeduction	3,732,205		3,732,205		
0799997 - TOTALS (Gross) - Miscellaneous Reserves	3,732,205		3,732,205		
0799998 - Reinsurance ceded - Miscellaneous Reserves	276,922		276,922		
0799999 - TOTALS (Net) - Miscellaneous Reserves	3,455,283		3,455,283		
9999999 - TOTALS (Net) - Page 3, Line 1	495,929,856		495,929,856		

EXHIBIT 5 - INTERROGATORIES

1.1

Has the reporting entity ever issued both participating and non-participating contracts?

Yes (X) No ()

1.2

If not , state which kind is issued .

2.1

Does the reporting entity at present issue both participating and non-participating contracts?

Yes () No (X)

2.2

If not , state which kind is issued .

Non-Participating

3.

Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements?
If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.

Yes (X) No ()

4.

Has the reporting entity any assessment or stipulated premium contracts in force?
If so, state:

Yes () No (X)

4.1

Amount of insurance?

\$

4.2

Amount of reserve?

\$

4.3

Basis of reserve:

4.4

Basis of regular assessments:

4.5

Basis of special assessments:

4.6

Assessments collected during the year:

\$

5.

If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts.

None

6.

Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis?

Yes () No (X)

6.1

If so, state the amount of reserve on such contracts on the basis actually held:

\$

6.2

That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6. 1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits:

\$

Attach statement of methods employed in their valuation.

7.

Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year?

Yes () No (X)

7.1

If yes, state the total dollar amount of assets covered by these contracts or agreements:

\$

7.2

Specify the basis (fair value, amortized cost, etc.) for determining the amount.

7.3

State the amount of reserves established for this business:

\$

7.4

Identify where the reserves are reported in the blank.

EXHIBIT 5A - CHANGES IN BASES OF VALUATION DURING THE YEAR

1 Description of Valuation Class	Valuation Basis		4 Increase in Actuarial Reserve Due to Change
	2 Changed From	3 Changed To	

NONE

EXHIBIT 6 - AGGREGATES RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

	1	2	3	4	Other Individual Contracts				
					5	6	7	8	9
	Total	Group Accident and Health	Credit Accident and Health (Group and Individual)	Collectively Renewable	Non-Cancelable	Guaranteed Renewable	Non-Renewable for Stated Reasons Only	Other Accident Only	All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserves	149,134					149,134			
2. Additional contract reserves (a)	1,542,911					1,542,911			
3. Additional actuarial reserves - Asset/Liability analysis									
4. Reserve for future contingent benefits									
5. Reserve for rate credits									
6. Aggregate write-ins for reserves									
7. Totals (Gross)	1,692,045					1,692,045			
8. Reinsurance ceded									
9. Totals (Net)	1,692,045					1,692,045			
CLAIM RESERVE									
10. Present value of amounts not yet due on claims									
11. Additional actuarial reserves - Asset/Liability analysis									
12. Reserve for future contingent benefits									
13. Aggregate write-ins for reserves									
14. Totals (Gross)									
15. Reinsurance ceded									
16. Totals (Net)									
17. TOTAL (Net)	1,692,045					1,692,045			
18. TABULAR FUND INTEREST	46,451					46,451			
DETAILS OF WRITE-INS									
0601. None									
0602.									
0603.									
0698. Summary of remaining write-ins for Line 6 from overflow page									
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)									
1301. None									
1302.									
1303.									
1398. Summary of remaining write-ins for Line 13 from overflow page									
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)									

(a) Attach statement as to valuation standard used in calculating this reserve, specifying reserve bases, interest rates and methods.

EXHIBIT 7 - DEPOSIT TYPE CONTRACTS

	1	2	3	4	5	6
	Total	Guaranteed Interest Contracts	Annuities Certain	Supplemental Contracts	Dividend Accumulations or Refunds	Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance	6,189,351			281,859	5,638,093	269,399
2. Deposits received during the year	384,984			122,327	199,893	62,764
3. Investment earnings credited to the account	163,174			8,834	147,735	6,605
4. Other net change in reserves						
5. Fees and other charges assessed						
6. Surrender charges						
7. Net surrender or withdrawal payments	389,398			52,936	261,747	74,715
8. Other net transfers to or (from) Separate Accounts						
9. Balance at the end of current year before reinsurance (Lines 1 plus 2 plus 3 plus 4 minus 5 minus 6 minus 7 minus 8)	6,348,111			360,084	5,723,974	264,053
10. Reinsurance balance at the beginning of the year	(964,909)				(958,476)	(6,433)
11. Net change in reinsurance assumed						
12. Net change in reinsurance ceded	13,586				14,599	(1,013)
13. Reinsurance balance at the end of the year (Line 10 plus Line 11 minus Line 12)	(978,495)				(973,075)	(5,420)
14. Net balance at the end of current year after reinsurance (Line 9 plus Line 13)	5,369,616			360,084	4,750,899	258,633

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

		1	2	Ordinary			6	Group		Accident and Health		
		Total	Industrial Life	3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts	Credit Life (Group and Individual)	7 Life Insurance	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Due and unpaid:												
1.1	Direct											
1.2	Reinsurance assumed											
1.3	Reinsurance ceded											
1.4	Net											
2. In course of settlement:												
2.1	Resisted											
2.11	Direct	191,834		191,834								
2.12	Reinsurance assumed											
2.13	Reinsurance ceded											
2.14	Net	191,834		(b) 191,834	(b)		(b)	(b)				
2.2	Other											
2.21	Direct	1,700,674		1,681,162	11,943							7,569
2.22	Reinsurance assumed	22,693		22,693								
2.23	Reinsurance ceded	98,128		97,217	911							
2.24	Net	1,625,239		(b) 1,606,638	(b) 11,032		(b)	(b)		(b)	(b)	(b) 7,569
3. Incurred but unreported:												
3.1	Direct	2,159,717		1,879,732								279,985
3.2	Reinsurance assumed											
3.3	Reinsurance ceded											
3.4	Net	2,159,717		(b) 1,879,732	(b)		(b)	(b)		(b)	(b)	(b) 279,985
4. TOTALS												
4.1	Direct	4,052,225		3,752,728	11,943							287,554
4.2	Reinsurance assumed	22,693		22,693								
4.3	Reinsurance ceded	98,128		97,217	911							
4.4	Net	3,976,790	(a)	(a) 3,678,204	11,032			(a)				287,554

(a) Including matured endowments (but not guaranteed annual pure endowments) unpaid amounting to \$ in Column 2, \$ in Column 3 and \$ in Column 7.

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for Ordinary Life Insurance \$, Individual Annuities \$, Credit Life (Group and Individual) \$, and Group Life \$, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$, Credit (Group and Individual) Accident and Health \$ and Other Accident and Health \$ are included in Page 3, Line 2, (See Exhibit 6, Claim Reserve).

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS
PART 2 - Incurred During the Year

	1	2	Ordinary			6	Group		Accident and Health		
			3	4	5		7	8	9	10	11
	Total	Industrial Life (a)	Life Insurance (b)	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (c)	Annuities	Group	Credit (Group and Individual)	Other
1. Settlements during the year:											
1.1 Direct	27,473,719		27,106,111	60,684	49,065						257,859
1.2 Reinsurance assumed	114,954		114,954								
1.3 Reinsurance ceded	1,601,362		1,600,695	667							
1.4 Net (d)	25,987,311		25,620,370	60,017	49,065						257,859
2. Liability December 31, current year from Part 1:											
2.1 Direct	4,052,225		3,752,728	11,943							287,554
2.2 Reinsurance assumed	22,693		22,693								
2.3 Reinsurance ceded	98,128		97,217	911							
2.4 Net	3,976,790		3,678,204	11,032							287,554
3. Amounts recoverable from reinsurers December 31, current year											
4. Liability December 31, prior year:											
4.1 Direct	4,546,779		4,164,215	8,400							374,164
4.2 Reinsurance assumed	23,100		23,100								
4.3 Reinsurance ceded	173,557		172,129	1,428							
4.4 Net	4,396,322		4,015,186	6,972							374,164
5. Amounts recoverable from reinsurers December 31, prior year											
6. Incurred Benefits:											
6.1 Direct	26,979,165		26,694,624	64,227	49,065						171,249
6.2 Reinsurance assumed	114,547		114,547								
6.3 Reinsurance ceded	1,525,933		1,525,783	150							
6.4 Net	25,567,779		25,283,388	64,077	49,065						171,249

(a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 1.1, \$ in Line 1.4.
\$ in Line 6.1 and \$ in Line 6.4.

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ 105,238 in Line 1.1, \$ 105,238 in Line 1.4.
\$ 105,238 in Line 6.1 and \$ 105,238 in Line 6.4.

(c) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ in Line 1.1, \$ in Line 1.4.
\$ in Line 6.1 and \$ in Line 6.4.

(d) Includes \$ 2,726,779 premiums waived under total and permanent disability benefits.

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1) , cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans	108	661	553
7. Other invested assets (Schedule BA)			
8. Receivable for securities			
9. Aggregate write-ins for invested assets			
10. Subtotals, cash and invested assets (Line 1 to Line 9)	108	661	553
11. Title plants (for Title insurers only)			
12. Investment income due and accrued			
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	2,913	6,638	3,725
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
13.3 Accrued retrospective premiums			
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers			
14.2 Funds held by or deposited with reinsured companies			
14.3 Other amounts receivable under reinsurance contracts			
15. Amounts receivable relating to uninsured plans			
16.1 Current federal and foreign income tax recoverable and interest thereon			
16.2 Net deferred tax asset	18,580,634	19,538,467	957,833
17. Guaranty funds receivable or on deposit			
18. Electronic data processing equipment and software			
19. Furniture and equipment , including health care delivery assets			
20. Net adjustment in assets and liabilities due to foreign exchange rates			
21. Receivable from parent , subsidiaries and affiliates			
22. Health care and other amounts receivable			
23. Aggregate write-ins for other than invested assets	1,158,546	925,205	(233,341)
24. Total assets excluding Separate Accounts , Segregated Accounts and Protected Cell Accounts (Line 10 to Line 23)	19,742,201	20,470,971	728,770
25. From Separate Accounts , Segregated Accounts and Protected Cell Accounts			
26. Total (Line 24 and Line 25)	19,742,201	20,470,971	728,770
DETAILS OF WRITE-INS			
0901. None			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 9 from overflow page			
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)			
2301. Other assets non-admitted	1,158,546	925,205	(233,341)
2302.			
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page			
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)	1,158,546	925,205	(233,341)

NOTES TO FINANCIAL STATEMENTS

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NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies**A. Accounting Practices**

The financial statements of Ozark National Life Insurance Company (the Company) are presented on the basis of accounting practices prescribed or permitted by the Missouri Insurance Department.

The Missouri Insurance Department recognizes only statutory accounting practices prescribed or permitted by the State of Missouri for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under Missouri Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual*, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Missouri. The State currently has no prescribed accounting practices that differ from those found in the NAIC SAP. The Commissioner of Insurance has the right to permit specific practices that deviate from prescribed practices.

The Company employs no accounting practices that depart from the NAIC *Accounting Practices and Procedures Manual*.

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Life premiums are recognized as income over the premium-paying period of the related policies. Annuity considerations are recognized as revenue when received. Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

The amount of dividends to be paid to policyholders is determined annually by the Company's Board of Directors. The aggregate amount of policyholders' dividends is related to actual interest, mortality, morbidity, and expense experience for the year and judgment as to the appropriate level of statutory surplus to be retained by the Company.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the scientific interest method.
- (3) Common stocks are stated at market.
- (4) Preferred stocks are stated at cost, except where the quality rating requires market valuation.
- (5) Mortgage loans on real estate are stated at the aggregate carrying value less accrued interest.
- (6) Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair market value. All loan-backed securities are valued using the prospective adjustment method. The Company does not own any interest-only securities.
- (7) The Company has no investments in subsidiaries, controlled, or affiliated companies.
- (8) The Company has no investments in joint ventures, partnerships, or limited liability companies.
- (9) The Company has no derivative instruments.
- (10) The Company has no premium deficiency reserves on its accident and health contracts.
- (11) Liabilities for losses and loss/claim adjustment expenses for accident and health contracts are recognized when the covered or insured event occurs.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) The Company has no pharmaceutical rebate receivables.

NOTES TO FINANCIAL STATEMENTS

2. Accounting Changes and Corrections of Errors

A. There were no material changes in accounting principles and/or correction of errors in 2008.

3. Business Combinations and Goodwill

The Company had no business combinations during the year and carries no goodwill on its books.

4. Discontinued Operations

The Company has no material discontinued operations.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

(1) No mortgage loans were made during 2008.

(2) During 2008, the Company did not reduce interest rates on any outstanding mortgage loans.

(3) The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed mortgages was: 80%

	Current Year	Prior Year
(4) As of year-end, the Company held mortgages with interest more than 180 days past due with a recorded investment, excluding accrued interest.	\$ -0-	\$ -0-
a. Total interest due on mortgages with interest more than 180 days past due.	\$ -0-	\$ -0-
(5) Taxes, assessments and any amounts advanced and not included in the mortgage loan total.	\$ -0-	\$ -0-
(6) Current year impaired loans with a related allowance for credit losses.	\$ -0-	\$ -0-
a. Related allowance for credit losses.	\$ -0-	\$ -0-
(7) Impaired mortgage loans without an allowance for credit losses.	\$ -0-	\$ -0-
(8) Average recorded investment in impaired loans.	\$ -0-	\$ -0-
(9) Interest income recognized during the period the loans were impaired.	\$ -0-	\$ -0-
(10) Amount of interest income recognized on a cash basis during the period the loans were impaired.	\$ -0-	\$ -0-
(11) Activity in allowance for credit losses account.	\$ -0-	\$ -0-
(12) The Company has no impaired loans.		

B. Debt Restructuring

The Company had no debt restructurings.

C. Reverse Mortgages

The Company has no reverse mortgages.

D. Loan-Backed Securities

(1) The Company does not use the retrospective adjustment method for its loan-backed securities.

(2) Prepayment assumptions for single-class and multi-class-mortgage-backed/asset-backed securities were obtained from broker-dealer survey values provided by Bloomberg.

(3) The Company had no changes from the retrospective adjustment method to the prospective adjustment methodology due to negative yields on loan-backed securities.

NOTES TO FINANCIAL STATEMENTS

E. Repurchase Agreements

The Company has no repurchase agreements.

F. Real Estate

- (1) The Company recognized no impairment loss in 2008.
- (2) The Company has no properties classified as available for sale.
- (3) There were no changes during the year in the Company’s plan to sell investment real estate.
- (4) The Company does not engage in retail land sales operations.

G. The Company has no investments in low-income housing tax credits.

6. Joint Ventures, Partnerships and Limited Liability Companies.

The Company has no investments in joint ventures, partnerships, or limited liability companies.

7. Investment Income

A. Due and accrued income was excluded from investment income on the following basis:

All investment income due and accrued with amounts that are over 90 days past due.

B. The total amount excluded in 2008 was \$9,227.

8. Derivative Instruments

The Company has no derivative instruments.

9. Income Taxes

A. The components of the net deferred tax asset at December 31 are as follows:

	2008	2007
(1) Total gross deferred tax assets	22,156,015	22,597,065
(2) Total deferred tax liabilities	(503,540)	(688,011)
(3) Net deferred tax assets	21,652,475	21,909,054
(4) Deferred tax assets nonadmitted	(18,580,634)	(19,538,467)
(5) Total deferred tax assets admitted	3,071,841	2,370,587
(6) (Increase) Decrease in nonadmitted assets	957,833	20,250

B. Deferred tax liabilities are not recognized for the following amounts:

As of December 31, 2008, the Company had a balance of \$1,080,789 in its Policyholder Surplus account under the provisions of the Internal Revenue Code. This amount could become taxable to the extent that future shareholder dividends are paid from this account.

C. Current income taxes incurred consist of the following major components:

	2008	2007
Federal income tax on operations	10,780,836	12,699,442
Federal income tax on net realized capital gains (losses)	125,664	23,190
Total current Federal income tax incurred	10,906,500	12,722,632

The main components of the deferred tax amounts at December 31 are as follows:

Deferred Tax Assets	2008	2007
Reserves	12,602,994	13,062,194
DAC amortization	8,596,568	8,700,969
Retirement plan	894,104	765,100
Other	62,349	68,802
Total gross deferred tax assets	22,156,015	22,597,065
Deferred tax assets nonadmitted	(18,580,634)	(19,538,467)
Deferred tax assets admitted	3,575,381	3,058,598

Deferred Tax Liabilities	2008	2007
Depreciation	235,539	347,801
Bond market discount	224,317	340,210
State insurance deposits	36,479	-0-
Unrealized gains	7,205	-0-
Total deferred tax liabilities	503,540	688,011
Total deferred tax assets admitted	3,071,841	2,370,587

NOTES TO FINANCIAL STATEMENTS

The change in net deferred income taxes at December 31 is comprised of the following:

	2008	2007	Change
Total gross deferred tax assets	22,156,015	22,597,065	(441,050)
Total deferred tax liabilities	503,540	688,011	184,471
Net deferred tax assets	21,652,475	21,909,054	(256,579)
Tax effect of unrealized gains (losses)			7,205
Change in net deferred income tax			(249,374)

D. Among the more significant book to tax adjustments at December 31, 2008 were the following:

	Amount	Effective Tax Rate
Provision computed at statutory rate	11,141,004	35.0 %
Other	(360,168)	-1.1 %
Tax on income from operations	10,780,836	33.9 %
Tax on net realized capital gains (losses)	125,664	0.4 %
Change in net deferred income tax	249,374	0.7 %
Total statutory income taxes	11,155,874	35.0 %

E-1. At December 31, 2008, the Company had no operating loss or tax credit carry-forwards.

E-2. The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

2008	\$10,906,500
2007	\$12,722,632
2006	\$10,281,820

E-3. The Company has no protective tax deposits under Section 6603 of the Internal Revenue Code.

F-1. The Company will file a 2008 consolidated federal income tax return with its parent, CNS Corporation, and affiliates, N.I.S. Financial Services, Inc. and Sharpe Holdings Inc.

F-2. The method of allocation is subject to written agreement, approved by the Board of Directors. Allocation is based on separate return calculations. Intercompany tax balances are settled annually.

10. Information Concerning Parent, Subsidiaries and Affiliates

A, B, & C. During 2008, the Company paid dividends to its parent company, CNS Corporation, in the aggregate sum of \$12,001,120. Payments in the amount of \$3,000,280 were made on January 15, 2008, April 14, 2008, July 14, 2008, and October 14, 2008.

D. The Company reported a receivable from CNS Corporation and affiliates of -0- and -0- at December 31, 2008, and December 31, 2007, respectively. The amounts are settled monthly.

E. The Company has no guarantees or undertakings for the benefit of an affiliate which resulted in a material contingent exposure.

F. The Company incurred commission expense of \$5,001,387 to CNS Corporation during 2008. The commissions are paid on a bi-weekly basis under an Agency Agreement dated January 1, 1986, and are net of commissions paid to agents.

G. All outstanding shares of the Company are owned by CNS Corporation, a Missouri corporation.

H, I, J, K & L. The Company owns no shares in subsidiary, controlled, or affiliated entities.

11. Debt

A. The Company has no debt, including capital notes, outstanding.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. The Company has no defined benefit plan.

B. Defined Contribution Plan

The Company established a non-qualified, unfunded retirement plan effective January 1, 1991, covering substantially all of its employees. At December 31, 2008, the present value of accrued benefits was \$3,198,888. The Company recognized an expense in 2008 of \$481,885.

NOTES TO FINANCIAL STATEMENTS

As of January 1, 2009, the existing defined contribution plan, will be amended. This amendment was required to bring the plan into compliance with section 409A of the Internal Revenue Service code. Essentially the plan is being terminated for most plan participants but will remain in effect as a "top hat" plan for senior management of the company. It is anticipated mid-year 2009 the present value of all other participants' account balances will be distributed in cash. The approximate value of this distribution is \$2.6 million of the current year end liability.

C. The Company does not participate in any multi employer plan.

D. The Company does not participate in any consolidated/holding company plan.

E & F. The Company does not offer postemployment benefits. Compensated absences/ vacation pay is recorded as an accrued liability, offset to salaries and wages in general expenses and is not considered material.

13. Capital and Surplus, Shareholder Dividend Restrictions and Quasi-Reorganizations

(1) The Company has 535 shares of common stock authorized, issued, and outstanding, \$15,000 par value.

(2) The Company has no preferred stock outstanding.

(3) Missouri law requires prior notice of all dividends and prior approval of extraordinary dividends (dividends in excess of the greater of 10% of the Company's surplus or the Company's net gain from operations). The Company has complied with these requirements. The Company's dividend capacity is otherwise unrestricted. Dividends are generally paid quarterly as determined by the Board of Directors and are noncumulative in nature.

(4) Dividends are paid quarterly as determined by its Board of Directors.

Dividends Paid:

Date	Amount	Ordinary/ Extraordinary
January 15, 2008	\$3,000,280	Ordinary
April 14, 2008	\$3,000,280	Ordinary
July 14, 2008	\$3,000,280	Ordinary
October 14, 2008	\$3,000,280	Ordinary

(5) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends.

(6) There are no restrictions on the Company's unassigned surplus funds.

(7) The Company is a stock company and has no advances to surplus.

(8) No shares of stock of the Company or of any affiliated company are held by the Company for special purposes.

(9) The Company has no special surplus funds.

(10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses was \$20,585.

(11) The Company has no surplus debentures outstanding.

(12) & (13) The Company has had no quasi-reorganization.

14. Contingencies

A. The Company had no material contingent liabilities.

B. Assessments

The Company has received notification from the National Organization of Life and Health Insurance Guaranty Association (NOLHGA) of their estimation of the timing and amount of assessments due from various insolvencies. As of December 31, 2008 a provision of \$892,953 was made as an estimation of the Company's net liability for these assessments.

C. The Company had no material gain contingencies.

D. The Company had no claims related extra contractual obligation and bad faith losses stemming from lawsuits.

E. Various lawsuits against the Company have arisen in the ordinary course of the Company's business. Contingent liabilities arising from litigation and other matters are not considered material in relation to the financial condition of the Company.

NOTES TO FINANCIAL STATEMENTS

15. Leases

The Company has no material lease obligations.

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk.

The Company has no financial instruments with off-balance sheet risk or concentrations of credit risk.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. The Company had no transfers of receivables reported as sales.
- B. The Company had no transfer and servicing of financial assets and extinguishments of liabilities.
- C. The Company had no wash sales.

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

The Company has no uninsured accident and health plans or partially insured plans for which it serves as an Administrative Services Only or an Administrative Services Contract administrator.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

The Company had no premium written by Managing General Agents or Third Party Administrators.

20. Other Items

- A. The Company had no extraordinary events or transactions.
- B. The Company had no troubled debt restructurings.
- C. Other Disclosures

Assets in the amount of \$5,330,914 and \$5,305,626 at December 31, 2008, and 2007, respectively, were on deposit with government authorities or trustees as required by law.

- D. The Company has no admitted assets deemed uncollectible.
- E. The Company had no business interruption losses or recoveries.
- F. The Company has no state transferable tax credits.
- G. The Company has no hybrid securities.
- H. The Company has no direct or indirect subprime mortgage related risk exposure.
- I. The Company has no Federal Home Loan Bank (FHLB) agreements.

21. Events Subsequent

No events have occurred subsequent to the close of the books or accounts for this statement which would have a material effect on the financial condition of the Company.

22. Reinsurance

- A. Ceded Reinsurance Report

Section 1-General Interrogatories

- 1. Are any of the reinsurers, listed in Schedule S as nonaffiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company? Yes () No (X)
- 2. Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business? Yes () No (X)

NOTES TO FINANCIAL STATEMENTS

Section 2-Ceded Reinsurance Report-Part A

1. Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits? Yes () No (X)

2. Does the Company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? Yes () No (X)

Section 3-Ceded Reinsurance Report-Part B

1. What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate. \$ None

2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement? Yes () No (X)

B. The Company had no uncollectible reinsurance written off during 2008.

C. The Company has no commutation of ceded reinsurance.

23. Retrospectively Rated Contracts and Contracts Subject to Redetermination

The Company has no retrospectively rated contracts or contracts subject to redetermination.

24. Change in Incurred Losses and Loss Adjustment Expenses

Reserves on accident and health contracts for incurred losses and loss adjustment expenses attributable to insured events of prior years developed as anticipated during 2008 (see Schedule H-Part 3 and the A & H Claim Reserve Adequacy section of the Five Year Historical Data). Original estimates are increased or decreased as additional information becomes known regarding individual claims. However, no significant trends or unanticipated events were noted in 2008.

25. Intercompany Pooling Arrangements

The Company is not part of an affiliated group of insurers that utilizes a pooling arrangement.

26. Structured Settlements

The Company has no structured settlements.

27. Health Care Receivables

The Company has no health care receivables.

28. Participating Policies

A. The Company had participating life insurance inforce of less than 1% of total life insurance inforce at December 31, 2008.

B. The Company accrues for dividends on participating policies based on dividends due and unpaid, dividends apportioned (or not yet apportioned) for payment in the following twelve months, and dividends left on deposit to accumulate interest.

C. The Company recorded an expense of \$167,853 for dividends on participating policies in 2008.

D. The Company allocated no additional income to participating policyholders in 2008.

29. Premium Deficiency Reserves

The Company has no premium deficiency reserves on accident and health contracts.

30. Reserves for Life Contracts and Annuity Contracts

(1) The Company waives deduction of deferred fractional premiums upon death of the insured. The Company does not return any portion of the final premium for periods beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.

NOTES TO FINANCIAL STATEMENTS

- (2) Additional premiums are charged for policies issued on substandard lives according to underwriting classification. Mean reserves are determined by computing the regular mean reserve for the plan at the rated age and holding in addition one-half (1/2) of the extra premium charge for the year.
- (3) The Company has no insurance in force for which the gross premiums are less than the net premiums according to the standard of valuation set by the State of Missouri.
- (4) The tabular interest, tabular less actual reserve released, and tabular cost have been determined by formula as described in the instructions.
- (5) The tabular interest on funds not involving life contingencies was determined by the difference in the sum of the liability at the end of the current year plus withdrawals during the year and the liability at the end of the previous year plus considerations received.
- (6) There have been no other changes.

31. Analysis of Annuity Actuarial Reserves and Deposit-Type Liabilities by Withdrawal Characteristics

	(1) Amount	(2) % of Total
A. Subject to discretionary withdrawal:		
(1) With fair value adjustment	\$ -0-	-0-
(2) At book value less current surrender charge of 5% or more	-0-	-0-
(3) At fair value	-0-	-0-
(4) Total with adjustment or at fair value (Total of 1-3)	-0-	-0-
(5) At book value without adjustment (minimal or no charge or adjustment)	12,110,993	97%
B. Not subject to discretionary withdrawal	410,099	3%
C. Total (gross)	12,521,092	100%
D. Reinsurance ceded	1,191,171	
E. Total (net)* (C)-(D)	\$11,329,921	

*Reconciliation of total annuity actuarial reserves and deposit fund liabilities.

F. Life & Accident & Health Annual Statement:	Amount
1. Exhibit 5, Annuities Section, Total (net)	5,718,231
2. Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	242,074
3. Exhibit 7, Deposit-Type Contracts	5,369,616
4. Total (net)	11,329,921

Separate Accounts Annual Statement:
The Company has no separate accounts.

32. Premiums and Annuity Considerations Deferred and Uncollected

A. Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2008 were as follows:

Type	(1) Gross	(2) Net of Loading
(1) Industrial	\$ -0-	\$ -0-
(2) Ordinary New Business	3,617,197	1,414,686
(3) Ordinary Renewal	36,220,410	30,011,705
(4) Credit Life	-0-	-0-
(5) Group Life	-0-	-0-
(6) Group Annuity	-0-	-0-
(7) Totals	\$39,837,607	\$31,426,391

33. Separate Accounts

The Company has no separate accounts.

34. Loss/Claim Adjustment Expenses

A. The balance in the liabilities for unpaid accident and health loss/claim adjustment expense reserves was \$287,554 and \$374,164 as of December 31, 2008 and December 31, 2007, respectively.

NOTES TO FINANCIAL STATEMENTS

- B. The Company incurred \$171,248 of accident and health loss/claim adjustment expenses in 2008. The provision for insured or covered events of the current year was \$191,000 at December 31, 2008. The provision for insured or covered events of prior years was decreased by \$37,577.
- C. The Company paid \$257,858 of accident and health loss/claim adjustment expenses in 2008, of which \$119,973 related to insured or covered events in 2008 and \$137,885 related to insured or covered events of prior years.
- D. The Company estimated anticipated salvage and subrogation of -0- in determining its liability for unpaid accident and health claims at December 31, 2008.

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes (X) No ()
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes (X) No () N/A ()
- 1.3

State Regulating?

Missouri
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes () No (X)
- 2.2

If yes, date of change:

.....
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2008
- 3.2

State the as of date of the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2004
- 3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

06/23/2006
- 3.4

By what department or departments?
Missouri
- 3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes (X) No () N/A ()
- 3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes (X) No () N/A ()
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11

sales of new business?

Yes () No (X)
- 4.12

renewals?

Yes () No (X)
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21

sales of new business?

Yes () No (X)
- 4.22

renewals?

Yes () No (X)
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes () No (X)
- 5.2

If yes, provide name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....
.....

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes () No (X)
- 6.2

If yes, give full information:

.....
.....
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes () No (X)
- 7.2

If yes,
- 7.21

State the percentage of foreign control;

.....%
- 7.22

State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g. individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....
.....
.....

GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes () No (X)

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes (X) No ()

8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
NIS Financial Services, Inc.	Kansas City, MO	X.....
.....
.....

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
BKD, LLP, 120 W. 12th Street, Suite 1200, Kansas City, MO 64105

10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Gary Rose, Lewis & Ellis, Inc., 11225 College Boulevard, Suite 320, Overland Park, KS 66210
who is an actuary with an actuarial consulting firm.

11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes () No (X)

11.11 Name of real estate holding company
.....

11.12 Number of parcels involved

11.13 Total book/adjusted carrying value \$

11.2 If yes, provide explanation
.....

12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
.....

12.2 Does this statement contain all business transacted for the reporting entity through its United States branch on risks wherever located? Yes () No ()

12.3 Have there been any changes made to any of the trust indentures during the year? Yes () No ()

12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes () No () N/A (X)

13.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code. Yes (X) No ()

13.11 If the response to 13.1 is No, please explain:
.....

13.2 Has the code of ethics for senior managers been amended? Yes () No (X)

13.21 If the response to 13.2 is Yes, provide information related to amendment(s).
.....

13.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes () No (X)

13.31 If the response to 13.3 is Yes, provide the nature of any waiver(s).
.....

BOARD OF DIRECTORS

14. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes (X) No ()

15. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes (X) No ()

16. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees, or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes (X) No ()

GENERAL INTERROGATORIES
FINANCIAL

17.

Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes () No (X)

18.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

18.11

To directors or other officers

\$

18.12

To stockholders not officers

\$

18.13

Trustees, supreme or grand (Fraternal only)

\$

18.2

Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

18.21

To directors or other officers

\$

18.22

To stockholders not officers

\$

18.23

Trustees, supreme or grand (Fraternal only)

\$

19.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes () No (X)

19.2

If yes, state the amount thereof at December 31 of the current year:

19.21

Rented from others

\$

19.22

Borrowed from others

\$

19.23

Leased from others

\$

19.24

Other

\$

20.1

Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes () No (X)

20.2

If answer is yes:

20.21

Amount paid as losses or risk adjustment

\$

20.22

Amount paid as expenses

\$

20.23

Other amounts paid

\$

21.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes () No (X)

21.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$

INVESTMENT

22.1

Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 22.3)

Yes (X) No ()

22.2

If no, give full and complete information relating thereto:

.....

.....

22.3

For the security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 16 where this information is also provided)
The Company has no financial instruments with off-balance sheet risk or concentrations of credit risk.

22.4

Does the Company's security lending program meet the requirements for a conforming program as outlined in Risk-Based Capital Instructions?

Yes () No (X)

22.5

If answer to 22.4 is YES, report amount of collateral for conforming programs.

\$

22.6

If answer to 22.4 is NO, report amount of collateral for other programs.

\$

23.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1)

Yes (X) No ()

23.2

If yes, state the amount thereof at December 31 of the current year:

23.21

Subject to repurchase agreements

\$

23.22

Subject to reverse repurchase agreements

\$

23.23

Subject to dollar repurchase agreements

\$

23.24

Subject to reverse dollar repurchase agreements

\$

23.25

Pledged as collateral

\$

23.26

Placed under option agreements

\$

23.27

Letter stock or securities restricted as to sale

\$

23.28

On deposit with state or other regulatory body

\$ 5,330,914

23.29

Other

\$

23.3

For category (23.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....
.....

24.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes () No (X)

24.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

Yes () No () N/A (X)

25.1

Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes () No (X)

25.2

If yes, state the amount thereof at December 31 of the current year.

\$

GENERAL INTERROGATORIES

INVESTMENT

26. Excluding items in Schedule E, Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds, and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes (X) No ()

26.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

¹ Name of Custodian(s)	² Custodian's Address
UMB Bank, N.A.	Kansas City, MO
.....
.....

26.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

¹ Name(s)	² Location(s)	³ Complete Explanation(s)
.....
.....
.....

26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year? Yes () No (X)

26.04 If yes, give full and complete information relating thereto:

¹ Old Custodian	² New Custodian	³ Date of Change	⁴ Reason
.....
.....
.....

26.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

¹ Central Registration Depository Number(s)	² Name	³ Address
OCC#862021	Commerce Bank	Kansas City, MO
OCC#862219	UMB Bank, N.A.	Kansas City, MO
.....

27.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes (X) No ()

27.2 If yes, complete the following schedule:

¹ CUSIP#	² Name of Mutual Fund	³ Book/Adjusted Carrying Value
78462F-10- 3	SPDR S&P 500	270,720
.....
.....
Line 27.2998 from Overflow page
Line 27.2999 TOTAL (9999999)	270,720

27.3 For each mutual fund listed in the table above, complete the following schedule:

¹ Name of Mutual Fund (from above table)	² Name of Significant Holding of the Mutual Fund	³ Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	⁴ Date of Valuation
SPDR S&P 500	Exxon Mobil	13,861	12/31/2008
SPDR S&P 500	Procter Gamble	6,308	12/31/2008
SPDR S&P 500	General Electric	5,820	12/31/2008

GENERAL INTERROGATORIES

28. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-) , or Fair Value over Statement (+)
28.1 Bonds	\$ 531,315,309	\$ 550,177,121	\$ 18,861,812
28.2 Preferred stocks	\$	\$	\$
28.3 Totals	\$ 531,315,309	\$ 550,177,121	\$ 18,861,812

28.4 Describe the sources or methods utilized in determining the fair values:
The market value of bonds was determined from quotations received from nationally
recognized pricing services and broker/dealers.

29.1 Have all the filing requirements of the Purposes and Procedures manual of the NAIC Securities Valuation Office been followed? Yes (X) No ()

29.2 If no, list exceptions:
.....
.....

OTHER

30.1 Amount of payments to Trade Associations, service organizations and statistical or Rating Bureaus, if any? \$ 448,920

30.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical
or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
ExamOne Worldwide	\$ 188,792
Lewis & Ellis, Inc.	\$ 194,557
.....	\$
.....	\$

31.1 Amount of payments for legal expenses, if any? \$ 22,269

31.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Stinson, Morrison & Hecker, LLP	\$ 20,666
.....	\$
.....	\$
.....	\$

32.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$

32.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers
or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$
.....	\$

GENERAL INTERROGATORIES - Lines 26.01 (continued)

<div>1</div> <div>Name of Custodian(s)</div>	<div>2</div> <div>Custodian's Address</div>
--	---

26.01 - Agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook

GENERAL INTERROGATORIES - Lines 26.02 (continued)

<div>1</div> <div>Name(s)</div>	<div>2</div> <div>Location(s)</div>	<div>3</div> <div>Complete Explanation(s)</div>
---------------------------------	-------------------------------------	---

GENERAL INTERROGATORIES - Lines 26.04 (continued)

<div>1</div> <div>Old Custodian</div>	<div>2</div> <div>New Custodian</div>	<div>3</div> <div>Date of Change</div>	<div>4</div> <div>Reason</div>
---------------------------------------	---------------------------------------	--	--------------------------------

GENERAL INTERROGATORIES - Lines 26.05 (continued)

<div>1</div> <div>Central Registration Depository Number(s)</div>	<div>2</div> <div>Name</div>	<div>3</div> <div>Address</div>
---	------------------------------	---------------------------------

GENERAL INTERROGATORIES - Lines 27.2 (continued)

<div>1</div> <div>CUSIP Number</div>	<div>2</div> <div>Name of Mutual Fund</div>	<div>3</div> <div>Book/Adjusted Carrying Value</div>
--------------------------------------	---	--

GENERAL INTERROGATORIES - Lines 27.3 (continued)

<div>1</div> <div>Name of Mutual Fund (from question 27.2)</div>	<div>2</div> <div>Name of Significant Holding of the Mutual Fund</div>	<div>3</div> <div>Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding</div>	<div>4</div> <div>Date of Valuation</div>
--	--	--	---

To be completed for each mutual fund listed in question 27.2
SPDR S&P 500 AT&T 5,739 12/31/2008
SPDR S&P 500 Johnson & Johnson 5,658 12/31/2008
27.3 - To be completed for each mutual fund listed in question 27.2

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes () No (X)

1.2

If yes, indicate premium earned on U.S. business only.

\$

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$

1.31

Reason for excluding:

.....

.....

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$

1.62

Total incurred claims

\$

1.63

Number of covered lives

.....

All years prior to most current three years:

1.64

Total premium earned

\$

1.65

Total incurred claims

\$

1.66

Number of covered lives

.....

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$

1.72

Total incurred claims

\$

1.73

Number of covered lives

.....

All years prior to most current three years:

1.74

Total premium earned

\$

1.75

Total incurred claims

\$

1.76

Number of covered lives

.....

2.

Health Test

2.1

Premium Numerator

\$ 399,958

2.2

Premium Denominator

\$ 89,872,696

2.3

Premium Ratio (Line 2.1 divided by Line 2.2)

..... 0.004

2.4

Reserve Numerator

\$ 436,678

2.5

Reserve Denominator

\$ 498,143,406

2.6

Reserve Ratio (Line 2.4 divided by Line 2.5)

..... 0.001

2

Prior Year

419,061

92,945,332

0.005

529,467

477,634,382

0.001

3.1

Does this reporting entity have Separate Accounts?

Yes () No (X)

3.2

If yes, has a Separate Accounts statement been filed with this Department?

Yes () No () N/A (X)

3.3

What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account?

\$

3.4

State the authority under which Separate Accounts are maintained:

.....

.....

3.5

Was any of the reporting entity's Separate Accounts business reinsured as of December 31?

Yes () No (X)

3.6

Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31?

Yes () No (X)

3.7

If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts, due or accrued (net)?"

\$

4.1

Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)?

Yes (X) No ()

4.2

Net reimbursement of such expenses between reporting entities:

4.21

Paid

\$

4.22

Received

\$ 433,654

5.1

Does the reporting entity write any guaranteed interest contracts?

Yes () No (X)

5.2

If yes, what amount pertaining to these items is included in:

5.21

Page 3, Line 1

\$

5.22

Page 4, Line 1

\$

6.

For stock reporting entities only:

6.1

Total amount paid in by stockholders as surplus funds since organization of the reporting entity:

\$ 2,920,113

7.

Total dividends paid stockholders since organization of the reporting entity:

7.11

Cash

\$ 224,622,089

7.12

Stock

\$

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as: Yes () No (X)

Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance.

8.2 If yes, has the reporting entity completed the Workers' Compensation Carve-Out Supplement to the Annual Statement? Yes () No (X)

8.3 If Line 8.1 is yes, the amounts of earned premiums and claims incurred in this statement are:

	1 Reinsurance Assumed	2 Reinsurance Ceded	3 Net Retained
8.31 Earned premium
8.32 Paid claims
8.33 Claim liability and reserve (beginning of year)
8.34 Claim liability and reserve (end of year)
8.35 Incurred claims

8.4 If reinsurance assumed included amounts with attachment points below \$ 1,000,000, the distribution of the amounts reported in Line 8.31 and Line 8.34 for Column (1) are:

	Attachment Point	1 Earned Premium	2 Claim Liability and Reserve
8.41	< \$ 25,000
8.42	\$ 25,000 - 99,999
8.43	\$ 100,000 - 249,999
8.44	\$ 250,000 - 999,999
8.45	\$ 1,000,000 or more

8.5 What portion of earned premium reported in Line 8.31, Column 1 was assumed from pools? \$

9.1 Does the company have variable annuities with guaranteed benefits? Yes () No (X)

9.2 If 9.1 is yes, complete the table for each type of guaranteed benefit.

Type		3	4	5	6	7	8	9
1 Guaranteed Death Benefit	2 Guaranteed Living Benefit	Waiting Period Remaining	Account Value Related to Column 3	Total Related Account Values	Gross Amount of Reserve	Location of Reserve	Portion Reinsured	Reinsurance Reserve Credit
.....
.....
.....

GENERAL INTERROGATORIES (Continued)
Part 2 - LIFE INTERROGATORIES Line 9.2

Type		3	4	5	6	7	8	9
1 Guaranteed Death Benefit	2 Guaranteed Living Benefit	Waiting Period Remaining	Account Value Related to Column 3	Total Related Account Values	Gross Amount of Reserve	Location of Reserve	Portion Reinsured	Reinsurance Reserve Credit

NONE

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only , no cents; show percentages to one decimal place , i.e. , 17.6.
Show amounts of life insurance in this exhibit in thousands (omit \$000)

	1 2008	2 2007	3 2006	4 2005	5 2004
<u>Life Insurance in Force</u> (Exhibit of Life Insurance)					
1. Ordinary-whole life and endowment (Line 34, Column 4)	6,283,646	6,500,223	6,606,962	6,722,770	6,820,215
2. Ordinary-term (Line 21, Column 4, less Line 34, Column 4)	2,123,381	2,156,252	2,159,655	2,118,625	2,026,951
3. Credit life (Line 21, Column 6)					
4. Group, excluding FEGLI/SGLI (Line 21, Column 9 less Line 43 and Line 44, Column 4)					
5. Industrial (Line 21, Column 2)					
6. FEGLI/SGLI (Line 43 and Line 44, Column 4)					
7. Total (Line 21, Column 10)	8,407,027	8,656,475	8,766,617	8,841,395	8,847,166
<u>New Business Issued</u> (Exhibit of Life Insurance)					
8. Ordinary-whole life and endowment (Line 34, Column 2)	377,143	447,537	494,054	582,487	656,340
9. Ordinary-term (Line 2, Column 4, less Line 34, Column 2)	183,835	221,978	249,330	315,183	207,963
10. Credit life (Line 2, Column 6)					
11. Group (Line 2, Column 9)					
12. Industrial (Line 2, Column 2)					
13. Total (Line 2, Column 10)	560,978	669,515	743,384	897,670	864,303
<u>Premium Income-Lines of Business</u> (Exhibit 1 - Part 1)					
14. Industrial life (Line 20.4, Column 2)					
15.1 Ordinary life insurance (Line 20.4, Column 3)	89,426,619	92,481,206	92,646,123	93,782,766	94,660,183
15.2 Ordinary individual annuities (Line 20.4, Column 4)	52,289	51,318	58,166	108,789	94,962
16. Credit life, (group and individual) (Line 20.4, Column 5)					
17.1 Group life insurance (Line 20.4, Column 6)					
17.2 Group annuities (Line 20.4, Column 7)					
18.1 A & H-group (Line 20.4, Column 8)					
18.2 A & H-credit (group and individual) (Line 20.4, Column 9)					
18.3 A & H-other (Line 20.4, Column 10)	393,789	412,807	428,737	451,911	467,478
19. Aggregate of all other lines of business (Line 20.4, Column 11)					
20. Total	89,872,697	92,945,331	93,133,026	94,343,466	95,222,623
<u>Balance Sheet</u> (Pages 2 and 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 24, Column 3)	617,626,993	586,246,729	554,237,896	522,258,746	493,835,684
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26)	521,046,487	499,120,317	475,141,417	451,877,855	428,117,409
23. Aggregate life reserves (Page 3, Line 1)	495,929,854	474,829,846	450,688,405	426,237,136	402,191,823
24. Aggregate A & H reserves (Page 3, Line 2)	1,692,045	1,735,162	1,774,543	1,811,162	1,838,058
25. Deposit-type contract funds (Page 3, Line 3)	5,369,616	5,224,442	5,260,728	5,149,865	5,113,230
26. Asset valuation reserve (Page 3, Line 24.1)	1,671,637	1,583,473	1,530,906	1,805,441	1,837,034
27. Capital (Page 3, Line 29 and Line 30)	8,025,000	8,025,000	8,025,000	8,025,000	8,025,000
28. Surplus (Page 3, Line 37)	88,555,506	79,101,412	71,071,479	62,355,891	57,693,275
<u>Cash Flow (Page 5)</u>					
29. Net cash from operations (Line 11)	42,578,551	47,773,870	43,070,189	42,491,742	45,099,988
<u>Risk-Based Capital Analysis</u>					
30. Total adjusted capital	98,252,143	88,709,885	80,715,101	72,276,163	67,646,987
31. Authorized control level risk-based capital	5,178,806	5,245,415	6,007,056	5,420,740	5,452,327
<u>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</u> (Page 2, Column 3) (Line No./Page 2, Line 10, Column 3) x 100.0					
32. Bonds (Line 1)	92.0	93.3	93.1	92.7	90.8
33. Stocks (Line 2.1 and Line 2.2)	0.1			0.2	0.2
34. Mortgage loans on real estate (Line 3.1 and Line 3.2)					
35. Real estate (Line 4.1, Line 4.2 and Line 4.3)	1.6	1.8	1.9	2.2	2.4
36. Cash, cash equivalents and short-term investments (Line 5)	3.2	1.8	1.6	1.7	3.3
37. Contract loans (Line 6)	3.1	3.1	3.3	3.3	3.3
38. Other invested assets (Line 7)					
39. Receivables for securities (Line 8)					
40. Aggregate write-ins for invested assets (Line 9)					
41. Cash, cash equivalents and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0

FIVE-YEAR HISTORICAL DATA
(Continued)

	1 2008	2 2007	3 2006	4 2005	5 2004
<u>Investments in Parent, Subsidiaries and Affiliates</u>					
42. Affiliated bonds (Schedule D Summary, Line 25, Column 1)					
43. Affiliated preferred stocks (Schedule D Summary, Line 39, Column 1)					
44. Affiliated common stocks (Schedule D Summary, Line 53, Column 1)					
45. Affiliated short-term investments (subtotal included in Schedule DA Verification, Column 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Line 42 to Line 47					
<u>Total Nonadmitted and Admitted Assets</u>					
49. Total nonadmitted assets (Page 2, Line 26, Column 2)	19,742,201	20,470,971	20,138,685	20,563,922	746,593
50. Total admitted assets (Page 2, Line 26, Column 3)	617,626,993	586,246,729	554,237,896	522,258,746	493,835,684
<u>Investment Data</u>					
51. Net investment income (Exhibit of Net Investment Income)	29,648,429	27,596,952	25,111,411	22,080,604	20,632,450
52. Realized capital gains (losses)	359,039	66,253	(592,156)	24,999	102,941
53. Unrealized capital gains (losses)	20,585		529,897	(74,350)	55,951
54. Total of above Lines 51, Line 52 and Line 53	30,028,053	27,663,205	25,049,152	22,031,253	20,791,342
<u>Benefits and Reserve Increase</u> (Page 6)					
55. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and Line 15, Column 1 minus Lines 10, 11, 12, 13, 14 and Line 15, Columns 9, 10 and 11)	39,495,430	34,883,858	35,686,594	35,074,612	30,835,113
56. Total contract benefits - A and H (Line 13 and Line 14, Columns 9, 10 and 11)	171,249	391,336	335,233	312,540	351,391
57. Increase in life reserves - other than group and annuities (Line 19, Columns 2 and 3)	21,046,499	24,637,883	24,599,705	24,198,912	26,976,952
58. Increase in A & H Reserves (Line 19, Columns 9, 10 and 11)	(43,117)	(39,381)	(36,619)	(26,896)	(25,741)
59. Dividends to policyholders (Line 30, Column 1)	167,853	175,025	172,931	183,830	190,481
<u>Operating Percentages</u>					
60. Insurance expense percent (Page 6, Column 1, Line 21, Line 22 and Line 23 less Line 6) / (Page 6, Column 1, Line 1 plus Exhibit 7, Column 2, Line 2) x 100.00	27.6	27.4	26.4	28.5	29.7
61. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Column 4, Line 14 and Line 15) / 1/2 (Exhibit of Life Insurance, Column 4, Line 1 and Line 21)] x 100.00	7.7	7.1	7.6	8.7	8.5
62. A & H loss percent (Schedule H, Part 1, Line 5 and Line 6, Column 2)	33.6	85.4	70.2	63.5	70.2
63. A & H cost containment percent (Schedule H, Part 1, Line 4, Column 2)					
64. A & H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Column 2)	17.0	15.9	15.7	16.4	16.1
<u>A & H Claim Reserve Adequacy</u>					
65. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1, Column 2)					
66. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2, Column 2)					
67. Incurred losses on prior years' claims - health other than group (Schedule H, Part 3, Line 3.1, Column 1 less Column 2)	234,439	326,508	259,894	251,825	272,537
68. Prior years' claim liability and reserve - health other than group (Schedule H, Part 3, Line 3.2, Column 1 less Column 2)	374,164	344,352	305,565	325,082	320,583
<u>Net Gains From Operations After Federal Income</u> <u>Taxes by Lines of Business</u> (Page 6, Line 33)					
69. Industrial life (Column 2)					
70. Ordinary-life (Column 3)	17,678,996	18,459,100	18,425,229	15,250,395	16,651,432
71. Ordinary-individual annuities (Column 4)	34,080	(21,225)	19,972	25,545	56,484
72. Ordinary-supplementary contracts (Column 5)	(2,803)	60,288	(16,283)	2,546	(4,727)
73. Credit life (Column 6)					
74. Group life (Column 7)					
75. Group annuities (Column 8)					
76. A & H-group (Column 9)					
77. A & H-credit (Column 10)					
78. A & H-other (Column 11)	189,565	52,150	99,961	107,736	97,847
79. Aggregate of all other lines of business (Column 12)	3,150,764	2,645,355	2,455,815	1,925,692	
80. Total (Column 1)	21,050,602	21,195,668	20,984,694	17,311,914	16,801,036

EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life (Group and Individual)		Group		10 Total Amount of Insurance (a)
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Individual Policies and Group Certificates	6 Amount of Insurance (a)	Number of		9 Amount of Insurance (a)
							7 Policies	8 Certificates	
1. In force end of prior year			227,584	8,656,475					8,656,475
2. Issued during year			10,581	560,978					560,978
3. Reinsurance assumed									
4. Revived during year			764	45,047					45,047
5. Increased during year (net)									
6. Subtotals, Line 2 to Line 5			11,345	606,025					606,025
7. Additions by dividends during year	X X X		X X X	54	X X X		X X X	X X X	54
8. Aggregate write-ins for increases									
9. Totals (Line 1 and Line 6 to Line 8)			238,929	9,262,554					9,262,554
Deductions during year:									
10. Death			1,265	24,473			X X X		24,473
11. Maturity			9	108			X X X		108
12. Disability							X X X		
13. Expiry			1,391	55,332					55,332
14. Surrender			7,513	265,934					265,934
15. Lapse			6,015	389,667					389,667
16. Conversion			347	23,091			X X X	X X X	23,091
17. Decreased (net)				96,922					96,922
18. Reinsurance									
19. Aggregate write-ins for decreases									
20. Totals (Line 10 to Line 19)			16,540	855,527					855,527
21. In force end of year (Line 9 minus Line 20)			222,389	8,407,027					8,407,027
22. Reinsurance ceded end of year	X X X		X X X	536,598	X X X		X X X	X X X	536,598
23. Line 21 minus Line 22	X X X		X X X	7,870,429	X X X	(b)	X X X	X X X	7,870,429
DETAILS OF WRITE-INS									
0801. None									
0802.									
0803.									
0898. Summary of remaining write-ins for Line 8 from overflow page									
0899. Totals (Line 0801 through Line 0803 plus Line 0898) (Line 8 above)									
1901. None									
1902.									
1903.									
1998. Summary of remaining write-ins for Line 19 from overflow page									
1999. Totals (Line 1901 through Line 1903 plus Line 1998) (Line 19 above)									

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000).
(b) Group \$; Individual \$

EXHIBIT OF LIFE INSURANCE (Continued)

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
24. Additions by dividends	X X X	X X X 1,146
25. Other paid-up insurance	17,004 123,889
26. Debit ordinary insurance	X X X	X X X

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

	Issued During Year (included in Line 2)		In Force End of Year (included in Line 21)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
Term Insurance Excluding Extended Term Insurance				
27. Term policies-decreasing
28. Term policies-other 1,647 161,655 21,565 1,731,398
29. Other term insurance-decreasing	X X X	X X X 466
30. Other term insurance	X X X 22,180	X X X 356,596
31. Totals (Line 27 to Line 30) 1,647 183,835 21,565 2,088,460
Reconciliation to Line 2 and Line 21:				
32. Term additions	X X X	X X X
33. Totals, extended term insurance	X X X	X X X 1,600 34,921
34. Totals, whole life and endowment 8,934 377,143 199,224 6,283,646
35. Totals (Line 31 to Line 34) 10,581 560,978 222,389 8,407,027

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

	Issued During Year (included in Line 2)		In Force End of Year (included in Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial
37. Ordinary 560,978 8,369,363 37,664
38. Credit Life (Group and Individual)
39. Group
40. Totals (Line 36 to Line 39) 560,978 8,369,363 37,664

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

	Credit Life		Group	
	1	2	3	4
			umber of Certificates	Amount of Insurance (a)
41. Amount of insurance included in Line 2 ceded to othe			X X X
42. Number in force end of year if the number under sha				X X X
43. Federal Employees' Group Life Insurance included ir			
44. Servicemen's Group Life Insurance included in Line ;			
45. Group Permanent Insurance included in Line 21

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a) 20,578
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BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

47. State basis of calculation of (47.1) decreasing term insurance contained in Family Income, Mortgage Protection, etc. , policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Children, etc. , policies and riders included above.
(47.1) Current Amount In Force
(47.2) Family Rider carried at current amount; Each Child Rider unit at \$1,000

POLICIES WITH DISABILITY PROVISIONS

Disability Provision	Industrial		Ordinary		Credit		Group	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Policies	6 Amount of Insurance (a)	7 Number of Certificates	8 Amount of Insurance (a)
48. Waiver of Premium 128,624 5,205,346
49. Disability Income
50. Extended Benefits	X X X	X X X
51. Other
52. Total	(b) 128,624	(b) 5,205,346	(b)	(b)

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000)
(b) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions.

ANNUAL STATEMENT FOR THE YEAR 2008 OF THE Ozark National Life Insurance Company

EXHIBIT OF NUMBER OF POLICIES, CONTRACTS, CERTIFICATES, INCOME PAYABLE AND ACCOUNT VALUES IN FORCE FOR SUPPLEMENTARY CONTRACTS, ANNUITIES, ACCIDENT AND HEALTH AND OTHER POLICIES

	Ordinary		Group	
	1 Involving Life Contingencies	2 Not Involving Life Contingencies	3 Involving Life Contingencies	4 Not Involving Life Contingencies
1. In force end of prior year	51	32		
2. Issued during year		2		
3. Reinsurance assumed				
4. Increased during year (net)		3		
5. Total (Line 1 to Line 4)	51	37		
Deductions during year:				
6. Decreased (net)	6	2		
7. Reinsurance ceded				
8. Totals (Line 6 and Line 7)	6	2		
9. In force end of year	45	35		
10. Amount on deposit	242,074	(a) 360,084		(a)
11. Income now payable	45	7		
12. Amount of income payable	(a) 43,582	(a) 20,926	(a)	(a)

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year	27	642		
2. Issued during year	1			
3. Reinsurance assumed				
4. Increased during year (net)				
5. Totals (Line 1 to Line 4)	28	642		
Deductions during year:				
6. Decreased (net)	2	37		
7. Reinsurance ceded				
8. Totals (Line 6 and Line 7)	2	37		
9. In force end of year	26	605		
Income now payable:				
10. Amount of income payable	(a) 25,851	X X X	X X X	(a)
Deferred fully paid:				
11. Account balance	X X X	(a) 1,923,176	X X X	(a)
Deferred not fully paid:				
12. Account balance	X X X	(a) 3,627,029	X X X	(a)

	Group		Credit		Other	
	1 Certificates	2 Premiums in Force	3 Policies	4 Premiums in Force	5 Policies	6 Premiums in Force
1. In force end of prior year					6,994	413,284
2. Issued during year						
3. Reinsurance assumed						
4. Increased during year (net)		X X X		X X X		X X X
5. Totals (Line 1 to Line 4)		X X X		X X X	6,994	X X X
Deductions during year:						
6. Conversions		X X X	X X X	X X X	X X X	X X X
7. Decreased (net)		X X X		X X X	295	X X X
8. Reinsurance ceded		X X X		X X X		X X X
9. Totals (Line 6 to Line 8)		X X X		X X X	295	X X X
10. In force end of year		(a)		(a)	6,699	(a) 395,294

	1 Deposit Funds	2 Dividend Accumulations
	Contracts	Contracts
1. In force end of prior year	200	3,641
2. Issued during year		
3. Reinsurance assumed		
4. Increased during year (net)		
5. Totals (Line 1 to Line 4)	200	3,641
Deductions during year:		
6. Decreased (net)	14	115
7. Reinsurance ceded		
8. Totals (Line 6 and Line 7)	14	115
9. In force end of year	186	3,526
10. Amount of account balance	(a) 258,633	(a) 4,750,899

(a) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions.

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

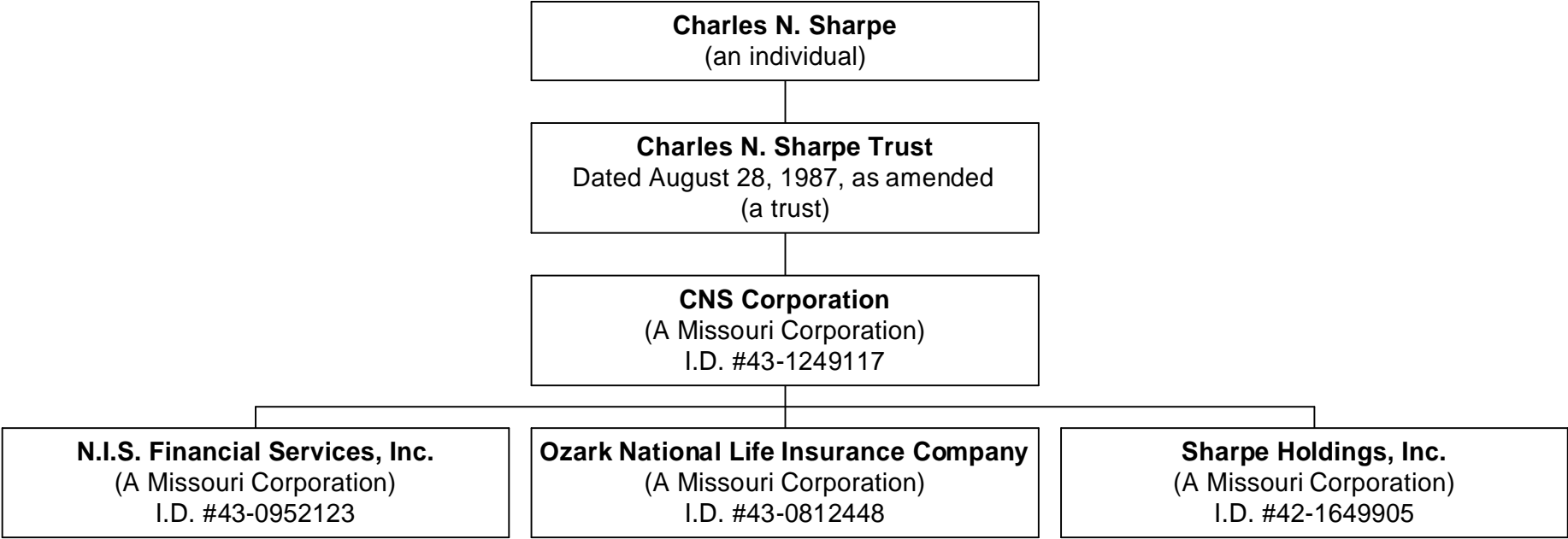
States, Etc.		1	Direct Business Only					
			Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Other Considerations	6 Total Columns 2 through 5	7 Deposit-Type Contracts
			2 Life Insurance Premiums	3 Annuity Considerations				
1.	Alabama	AL	L	2,901,693		10,004	2,911,697	
2.	Alaska	AK	N	17,966		116	18,082	
3.	Arizona	AZ	L	439,202	800	2,397	442,399	
4.	Arkansas	AR	L	1,021,455		2,820	1,024,275	
5.	California	CA	L	195,498	2,039	1,927	199,464	
6.	Colorado	CO	L	3,461,884	62	8,874	3,470,820	
7.	Connecticut	CT	N	6,476			6,476	
8.	Delaware	DE	N	2,120			2,120	
9.	District of Columbia	DC	N	1,236			1,236	
10.	Florida	FL	L	551,412	170	2,365	553,947	
11.	Georgia	GA	L	126,125		666	126,791	
12.	Hawaii	HI	N	5,796			5,796	
13.	Idaho	ID	N	18,272			18,272	
14.	Illinois	IL	L	4,485,679	1,398	9,873	4,496,950	
15.	Indiana	IN	L	970,153		142	970,295	
16.	Iowa	IA	L	11,166,682	132	13,498	11,180,312	
17.	Kansas	KS	L	6,281,890	1,806	112,611	6,396,307	
18.	Kentucky	KY	L	1,263,103		553	1,263,656	
19.	Louisiana	LA	L	5,560,352	2,415	38,110	5,600,877	
20.	Maine	ME	N	6,305		100	6,405	
21.	Maryland	MD	N	16,139			16,139	
22.	Massachusetts	MA	N	5,622			5,622	
23.	Michigan	MI	L	63,074	150	174	63,398	
24.	Minnesota	MN	L	7,959,541	5,514	189	7,965,244	
25.	Mississippi	MS	L	4,218,616	300	24,727	4,243,643	
26.	Missouri	MO	L	20,189,276	10	84,459	20,273,745	
27.	Montana	MT	L	24,891		118	25,009	
28.	Nebraska	NE	L	6,134,210	294	30,972	6,165,476	
29.	Nevada	NV	L	66,376	444	231	67,051	
30.	New Hampshire	NH	N	3,776			3,776	
31.	New Jersey	NJ	N	9,996		60	10,056	
32.	New Mexico	NM	L	841,607	120	696	842,423	
33.	New York	NY	N	28,181	180		28,361	
34.	North Carolina	NC	N	77,271	60	552	77,883	
35.	North Dakota	ND	L	286,349			286,349	
36.	Ohio	OH	L	2,589,326		3,747	2,593,073	
37.	Oklahoma	OK	L	1,772,765		10,917	1,783,682	
38.	Oregon	OR	N	23,343		418	23,761	
39.	Pennsylvania	PA	N	31,945	60	176	32,181	
40.	Rhode Island	RI	N	187			187	
41.	South Carolina	SC	N	36,630		174	36,804	
42.	South Dakota	SD	L	1,345,431		450	1,345,881	
43.	Tennessee	TN	L	502,913		1,896	504,809	
44.	Texas	TX	L	943,644		28,060	971,704	
45.	Utah	UT	L	35,812		384	36,196	
46.	Vermont	VT	N	1,188			1,188	
47.	Virginia	VA	N	51,829		314	52,143	
48.	Washington	WA	N	61,305		260	61,565	
49.	West Virginia	WV	N	9,472			9,472	
50.	Wisconsin	WI	L	4,875,058	37,458		4,912,516	
51.	Wyoming	WY	L	97,948		118	98,066	
52.	American Samoa	AS	N					
53.	Guam	GU	N					
54.	Puerto Rico	PR	N	390			390	
55.	U.S. Virgin Islands	VI	N	833			833	
56.	Northern Mariana Islands	MP	N					
57.	Canada	CN	N	777			777	
58.	Aggregate Other Alien	OT	X X X	36,759			36,759	
59.	Subtotal	(a)	30	90,825,779	53,412	393,148	91,272,339	
90.	Reporting entity contributions for employee benefit plans		X X X					
91.	Dividends or refunds applied to purchase paid-up additions and annuities		X X X	36,929			36,929	
92.	Dividends of refunds applied to shorten endowment or premium paying period		X X X					
93.	Premium or annuity considerations waived under disability or other contract provisions		X X X	2,910,155			2,910,155	
94.	Aggregate other amounts not allocable by State		X X X					
95.	Totals (Direct Business)		X X X	93,772,863	53,412	393,148	94,219,423	
96.	Plus Reinsurance Assumed		X X X	460,694			460,694	
97.	Totals (All Business)		X X X	94,233,557	53,412	393,148	94,680,117	
98.	Less Reinsurance Ceded		X X X	3,402,636	1,123		3,403,759	
99.	Totals (All Business) less Reinsurance Ceded		X X X	90,830,921	52,289	(b) 393,148	91,276,358	
DETAILS OF WRITE-INS								
5801.	Other foreign countries		X X X	36,759			36,759	
5802.			X X X					
5803.			X X X					
5898.	Summary of remaining write-ins for Line 58 from overflow page		X X X					
5899.	Total (Line 5801 through Line 5803 plus Line 5898) (Line 58 above)		X X X	36,759			36,759	
9401.	None		X X X					
9402.			X X X					
9403.			X X X					
9498.	Summary of remaining write-ins for Line 94 from overflow page		X X X					
9499.	Total (Line 9401 through Line 9403 plus Line 9498) (Line 94 above)		X X X					

Explanation of basis of allocation by states, etc., of premiums and annuity considerations

Premiums are allocated by policy owners state of residence

(a) Insert the number of L responses except for Canada and Other Alien.
(b) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4 and 16.4, Cols. 8, 9 and 10, or with Schedule H, Part 1, Column 1, Line 1; indicate which; Exhibit 1, Lines 6.4, 10.4, 16.4, Cols. 8, 9, and 10

ORGANIZATIONAL CHART



CNS Corporation (formerly N.I.S. Corporation) owns 100% of the issued and outstanding shares of stock of N.I.S. Financial Services, Inc., Ozark National Life Insurance Company and Sharpe Holdings, Inc.

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